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On cotton program

REMARKS OF GEORGE N. PEEK, ADMINISTRATOR OF THE AGRICULTURAL ADJUSTMENT ACT,
OVER COLUMBIA BROADCASTING SYSTEM, MONDAY, JUNE 19, 1933, AT 10:15 P.M.

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You have heard Secretary Wallace describe the program undertaken by the Agricultural Adjustment Administration with reference to wheat. It is my purpose to direct my remarks particularly to cotton.

But first I want to tell you in general terms of our plans for the two crops. Anyone who studies the problems of American agriculture starts his thinking with these two crops.

Wheat and cotton are the most basic of the great staple crops. Hence we have chosen them as the starting point for our operations. We begin with a two-fold attempt to help the producers of the staff of life and clothing, and plan to expand our program later.

American agriculture as a whole has suffered from the mistaken national policies of the past twelve years. But none of the great groups of producers feel the depression more keenly than the growers of wheat and cotton.

The disaster to the cotton growers of the South since 1928 has few parallels in the history of American agriculture.

In 1928, the cotton crop brought nearly one and one-half billion dollars. Last year the income of the cotton growers of this country was reduced by more than two-thirds. The crop brought less than half a billion dollars. That decline barely sketches in starkest form the problem of cotton.

In one respect, the problems of cotton and wheat are essentially similar. Enormous surpluses lie at the base of both.

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The long neglected problem of cotton has swiftly become acute.

When the farmers started to pick their crop in 1929, there were on hand only 4 1/2 million bales of the American crop. Coming up to harvest in 1932, this surplus, which we call the carryover, had grown to 13 million bales. This year, it appears that the carryover will be in the neighborhood of 12 to 13 million bales.

But I have not described the full extent of the emergency. In some of its aspects, the cotton problem presents a vicious cycle. The cotton grower's outgo is much less flexible than his income. His interest charges, his taxes, and his other expenses, are relatively fixed.

As the cotton surplus has mounted, cotton prices have declined. This has placed the grower in a difficult financial situation. Where is he to get money to pay fixed interest charges, taxes, fertilizer and other costs? Many farmers have had only one answer. That has been to grow more cotton.

So the surplus has propagated itself into larger and larger proportions. We have heard a great deal in the past about inexorable economic law, under which the demand governs the supply. But the facts are that under the pinch of low prices the farmer this year has not curtailed his crop. He has not yielded to the law of tooth and fang. He has not thrown up his hands in despair and retired from cotton production. Instead he has buckled closer to the soil. The lower the unit price the more units must be produced to meet fixed charges.

We do not have a decline in cotton acreage as the result of ruinous prices. Everybody says the result is just the reverse this year. In the face of the 12 to 13 million bale carryover, the cotton farmer has increased his acreage. Common estimates in the South indicate he has expanded his plantings this year 7 to 10 percent, though there are no official statistics. Normal

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production would mean 26 million or more bales of American cotton to be sold this year -- just as large a supply as last year.

The Agricultural Adjustment Administration has determined that something must be done about this predicament of cotton. We have determined upon measures of an emergency character. We are offering assistance provided in the law.

The plan is to take part of this cotton land out of cotton production this season. This can be done only with the cooperation of the growers. Hence we are inviting offers from cotton farmers. We want to know how many farmers will cooperate in this way, and what part of the cotton area can be shifted from cotton to soil building, summer fallowing or purposes other than production of nationally harvested crops already on a highly competitive basis.

Of course the Government cannot accomplish this result. But the Agricultural Adjustment Administration has determined to give the cotton growers an immediate chance to decide for themselves whether curtailment of this year's production shall be attempted.

The Government is seeking first to ascertain the wishes of the farmers. If the response is convincing, they will be compensated for cooperation in a program designed wholly for their own benefit.

That is not all. The Agricultural Adjustment Administration plans to press its offer vigorously. A campaign is to be carried to the South during cotton week, beginning June 26.

In a week of intensive effort, the cotton farmers of the South are

1. The first part of the report deals with the general situation of the country.

2. The second part deals with the economic situation.

3. The third part deals with the social situation.

4. The fourth part deals with the political situation.

5. The fifth part deals with the cultural situation.

6. The sixth part deals with the foreign relations.

7. The seventh part deals with the internal security.

8. The eighth part deals with the education.

9. The ninth part deals with the health.

10. The tenth part deals with the environment.

11. The eleventh part deals with the population.

12. The twelfth part deals with the labor.

13. The thirteenth part deals with the housing.

14. The fourteenth part deals with the transport.

15. The fifteenth part deals with the energy.

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17. The seventeenth part deals with the culture.

18. The eighteenth part deals with the sports.

19. The nineteenth part deals with the tourism.

20. The twentieth part deals with the defense.

21. The twenty-first part deals with the justice.

22. The twenty-second part deals with the religion.

to be acquainted with the facts. Contracts for approximately two million cotton growers already are being printed. They will be sent to the State extension forces. Local committees are forming in more than 800 cotton counties.

This is the line of march on the cotton problem. If the South's farmers respond and a sufficient number sign contracts to indicate success, the Agricultural Adjustment Administration will accept them, and the contracts will become effective.

Two plans are available to the cotton producer who desires to offer a certain, described portion of his acreage now planted in cotton to the Government.

This is the first plan:

The cotton farmer may offer not less than 25 percent of his acreage now in cotton for a cash rental payment, plus an option on Government-held cotton at the low price of 6 cents a pound.

This combination of rentals and the right to buy Government-held cotton should prove extremely attractive to the producer. It is designed to compensate him for the expenditures he has made in bringing his crop to its present stage and will provide him with just ^{as} much cotton for market as if he had not reduced his acreage.

The amount to be paid as cash rental in this plan--as well as the amount of cotton he may get with his option--will be based on the productivity of the land. The rentals will vary from \$6 per acre on land producing 100 to 124 pounds of cotton per acre to \$12 per acre for the land that produces 275 pounds or more.

This is the second plan:

It is for producers who do not want options on Government-held cotton but want their benefit payment entirely in cash. It provides that, without the option, the producer may receive rentals ranging from \$7 for land yielding from 100 to 124 pounds per acre to \$20 for land yielding 275 pounds or more per acre.

A processing tax to finance the cotton plan goes into effect automatically under the law, once determination is made to make rental or benefit payments.

Benefits to farmers are not expected to be limited to rental payments. The Agricultural Adjustment Administration is aiming at something more. Restriction of supply, should it be accomplished, would be expected to result in higher prices when the cotton crop is marketed next fall.

Thus in addition to the millions of dollars which would be expended for rentals the cotton farmer will profit, if the plan succeeds, to the extent the price is advanced on the balance of his crop.

In adopting this plan, the Government is adapting to agriculture a method of control which the industrialist long has used. Rather than produce more than the market could absorb the manufacturer often has closed down his plant, or else restricted his output. This is the method now being proposed for farmers. If the plan works, the growers will receive more money for less output.

Reasons for the program should be kept constantly in mind. The most important consideration is price. The average price received by farmers for the 1919 cotton crop was 35 cents per pound. In 1928 it was 18 cents. The average for 1931 was less than 6 cents.

In June 1932 the price reached its low point of 4.6 cents per pound. These low prices are definitely below the cost of production. There have been some recent advances, but these have come in spite of the huge supply. The rise to about 9 cents recently does not present a true picture. It is due partly to pick-up in demand, it is true, but also to speculative influences, revaluation of cotton in terms of the depreciated dollar, and the anticipation by the trade of this program.

The situation now is such that even the current rate of pick-up in demand could not overtake and whittle down to normal the present burdensome cotton surplus in time to save the producers. We need relief both from the burdensome

surplus and continuance of the present improvement in demand to help the cotton grower.

Simultaneous attack on the farm problem in the South and West should carry the greatest significance. Farming is a business. It also is a mode of living. Life on the farm above all things should be secure.

One of the principal functions of government should be to see that the farmer is secure in his home and on his land.

But actually as now conducted farming is the most hazardous enterprise known to man. It is subject to the whims of nature and assailed by market raids of speculators. The farm, which should be a haven of refuge, has borne the brunt of the depression storm.

The effects of this upon the buying power of agriculture have been devastating. They have ^{injured} not only the man with the hoe but the man in the factory. The whole Nation has felt the loss of farm buying power.

This is the fundamental situation which lies back of our attack upon the agricultural problem, aimed at wheat in the West, and cotton in the South. Others will follow as rapidly as plans can be developed.

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The Cotton Adjustment Plan

Remarks by George N. Peek, Administrator, Agricultural Adjustment Administration, National Farm and Home Hour, N.B.C. Network, Monday, June 19, 1933, at 1:10 P.M.

As Secretary Wallace has announced, the Agricultural Adjustment Administration has completed plans by which the producers of cotton and of wheat can cooperate to increase their purchasing power and assist in national recovery. The Secretary has told you the essential elements in the wheat plan, and I want to talk briefly with you about the cotton plan. Details are being published in the public press this afternoon.

The two plans are not alike. Obviously they can't be, for the two crops are not alike. The overwhelming fact behind both plans, however, is a huge surplus. It is to the producers' interest to see that surplus reduced.

If we are going to reduce that surplus by any sizable amount, it means reducing the production of this year's crop of cotton. If the cotton growers are willing to do that, in return for a cash consideration, the cotton plan will be adopted. Our first move, therefore, must be to see how many growers will be willing to reduce their cotton production in return for just compensation. To determine that, the Agricultural Adjustment Administration is planning a special "Cotton Week" beginning June 26, during which time the south's two million cotton producers will be given an opportunity to sign up for reduction of production of the growing crop.

The contracts offered to the grower contain two proposals. The first proposal is that the grower take out of production a certain portion of his cotton land for a cash rental, plus an option on the amount of cotton which this land would ordinarily produce. (Cotton for the fulfillment of these options is now held by the Government, to the extent of 2,375,000 bales.) The cotton would be optioned to the producer at 6 cents a pound; the acreage rental payment would be based upon the productivity of the land. An alternative plan is that the producer may receive a cash rental, without the option contract, on government-owned cotton.

I am going to leave the detailed explanation of this plan to speakers who will appear on this National Farm and Home Hour during the next few days and weeks. The details of the plan will appear more clearly when the contract is presented to the cotton grower for study and discussion with his neighbors.

What I wish to emphasize, in this first radio announcement of the cotton plan, is that the whole matter is up to the producers. If enough of them want to reduce production, and shrink the surplus that is hanging like a thundercloud over the market, the plan will go into effect, production will be reduced, and the cash consideration for such reduction will be in the growers' hands this summer.

The centralizing powers of the Federal Government are offered the cotton grower. We want him to make use of them, but we can't and do not desire to force him to. We can only point the way.

(over)

I think that we ought to keep the facts of the cotton situation constantly before us. It is true that the price of cotton has advanced from about five and a half cents in February to about 9 cents recently. That advance has come in spite of the supply situation. Conditions are such that even the present rate of pickup in demand could not overtake and whittle down the present burdensome cotton surplus in time to avoid disaster to the cotton producers. Apparently most of that price increase is a revaluation of cotton in terms of a depreciated dollar, plus speculative influences. The enormous carryover of around 13 million bales still remains. The addition of another twelve or fourteen million bale crop this season is not something to be lightly contemplated.

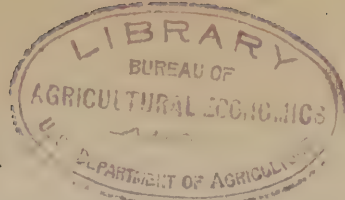
What the cotton grower wants to consider, when these contracts are presented to him next week, is that the price at which he markets his cotton this fall will be determined by the size of his crop, and the demand for it. The demand is improving, and we hope it will improve a great deal more as other parts of President Roosevelt's program swing into action. But there is that unprecedented carryover to think about, and the very extensive acreage of cotton now in the ground. The supply factors in this equation are against the grower, unless he takes matters into his own hands and reduces the supply. The cotton plan provides the mechanism by which he can afford to make that adjustment of supply to demand with the cooperation of the government.

We are here to help the grower, but we can do so only if he will do his part.

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THE COTTON ADJUSTMENT PLAN

A radio talk by C. A. Cobb, Chief of Cotton Production Section, Agricultural Adjustment Administration, delivered in the Department of Agriculture period of the National Farm and Home Hour, Tuesday, June 20, 1933, and broadcast by a network of 48 associate NBC radio stations.

-----ooOoo-----

I have been asked to explain to the Farm and Home audience some details of the cotton program.

Charged with the administration of this plan, I welcome the opportunity to speak to the cotton producers and other listeners as well and to tell you what our hopes and ambitions are.

I wish it were possible to talk with each of you personally. I feel so strongly about the possibilities of this program and have such confidence in the response that is going to be made to it, and the good to come from it, that I would be delighted to talk the matter over with each of the 2,000,000 cotton producers individually were it possible to do that. The next best thing is to talk to you over the radio, but I hope that each will regard this talk as a personal chat with my many friends in the Cotton Belt, and I will try to anticipate some of the questions which I know you would ask if I were sitting on your front porch after supper.

In the first place, let me say that I was "brung up" in the South. My playmates were typical farm children and our neighbors typical farm folks. The problems of the cotton producer are my problems, his welfare my welfare and his future my future. When I consider the difficulties of the cotton farmer, I feel that I know what I am talking about. I know what these difficulties are and I believe I know what the cotton farmer is thinking about in connection with the Government's effort to get for him a fair share of the nation's income. He has struggled years for it and I know he wants it and deserves it. With that understanding, I will undertake to give you a brief sketch of the Government's plan to put the cotton farmer in position to help himself.

[illegible]

Let it be understood in the beginning, that this program does not in any sense contemplate the payment of a bonus or a dole to the cotton farmer. None of the plans to adjust the production of any of our basic crops do that. The producer in every instance is required to do something to justify the payment of whatever sum is made to him. Our President has defined the policy of distributing money to the producers of cotton and wheat as a "payment in consideration of cooperation." And that, my friends, gives us the key to the whole cotton plan --- cooperation. Cooperation is essential. Without it we will fail.

Now let us get down to the plan itself. I do not have to tell you the plight of the cotton farmer. You know the problem. You are thoroughly familiar with the fact that we have too much cotton, more than the world can possibly use, and that unless steps are taken to eliminate part of this surplus from this year's crop, the cotton farmer is again faced with adversity. I am not going to consume time analyzing the cotton problem. It is essentially a problem of surplus, a huge surplus that has brought disastrous prices and economic chaos to the South. Every cotton farmer knows the facts. I will undertake to tell you what we shall attempt to do about it.

If I were going to tell you in as few words as possible what we propose to do about the cotton problem, I would say: "We are going to do just exactly what you want us to do about it." And I mean just that. Such is the plan. We will do just what you want us to do as directed by your action in the next few days. It is up to you -- the cotton farmer. If you desire the Government to go into partnership, to grasp hands with you and seek to pull us all out of the common chasm of the economic depression, you must make the decision yourself.

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There is nothing complicated about the details of this plan. It has been worked out by the leaders of cotton states representing you. It is simple, practical and definite. But, I can not repeat too often, it is up to you, my friends and neighbors in the Cotton Belt, first to make this plan yours and then make it work.

The first plan in the contracts you will be asked to sign pays you cash for a certain portion of your cotton acreage and gives you an option on government-held cotton at 6 cents per pound. Let us consider this plan for a moment.

Say you have 20 acres in cotton now and you usually get about six bales off of that land. If you will agree to take 8 acres out of cotton, the Government will pay you \$64 and in addition -- now remember this -- in addition it will give you an option to buy 1200 pounds of lint cotton at 6 cents a pound. That means that next fall you will have your full crop to sell and if the present price is maintained or is improved, you will get a profit that represents the full difference between the sale price and the 6 cents a pound you paid for it. Furthermore, in no case will you or any other cotton producer be responsible for any loss that might occur in connection with the cotton held for you. This cotton is to replace to cotton you have taken out of production and would give you just as much to sell when your cotton is picked and ginned this fall.

Now there is an alternative plan. It is designed for those cotton farmers who do not want the option or right to buy Government cotton at 6 cents a pound. This alternative plan calls for a cash payment based on the productivity of the land and is somewhat higher than the cash payment where options on Government cotton are taken. I will not undertake to bring to you the detailed figures of this alternative plan. Your county agents and local committees will have that information in detail. But/^Iwould state that cash payments

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range from \$7 for land yielding from 100-124 pounds per acre to \$20 for land yielding 275 pounds or more per acre.

These are the two straight-forward, definite business proposals. Action on them must come from you.

The demand for action has come to me through countless sources. I have talked with many representative cotton farmers who have urged that something immediately must be done. Some have come all the way to Washington to say so. They fear the consequences of another big crop. Letters and telegrams have reached me from Texas to the Atlantic coast pleading for action. I am answering them now. That answer is opportunity to express in definite form such desire for action. If you want something done you now have the chance to see that it is done. But you must take this plan and make it your own. Then more important than everything, make it work.

I have addressed most of my remarks directly to the cotton producer. I do not feel that I should close, however, without emphasizing the fact that this problem, the cotton farmer's problem, is not confined to that particular area below the Mason-Dixon line. It vitally affects the interests of every American citizen.

The national interest demands that the cotton situation be improved. When the purchasing power of the cotton producer is increased, when he is given a fair share of the nation's income, the wheels of industry will be accelerated, the business of the city will pick up and a stimulating influence will result in every line of human activity. That is the purpose of this whole farm adjustment program. The Act itself describes its purpose as being "to relieve the existing national economic emergency by increasing agricultural purchasing power."

I have faith in our program. I have faith in the desire and the ability of the cotton farmer to make it his own and to make it work. As we embark upon this new course of a planned economy for agriculture, I foresee an emancipation for the individual farmer who has for years borne out his life in much fruitless toil. It is the desire of everyone actively concerned with the welfare of agriculture to so adjust our system that security will be achieved. This program for cotton is one of the two major attempts to that end. But it must be remembered that the Government or anyone else can not administer any program unaided. The cotton farmers have asked for action. The Government is offering it in a call to action, in a challenge to throw off the shackles of cotton slavery. I know you will meet that challenge.

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THE COTTON SITUATION

1. The Supply.

A radio talk by Lawrence Myers, cotton economist, Agricultural Adjustment Administration, delivered Wednesday, June 21, 1933, in the Land Grant College program of the National Farm and Home Hour, broadcast by a network of 48 associate NBC radio stations.

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Yesterday Mr. Cobb, the Cotton Production Chief for the Agricultural Adjustment Administration, outlined to you the adjustment plan for cotton. He made it clear that there will be a money advantage to every cotton producer who cooperates in the plan. He pointed out to you that in this plan the Government is making every reasonable effort to enable cotton farmers to do what everybody in the Cotton Belt has been saying must be done.

It is very significant that this cotton adjustment program in which you cotton growers will be given an opportunity to cooperate next week is not something imposed on you from the outside. Your leaders have asked that it be done. They have insisted that it be done. In my talk with you today I want to give you some of the facts about the cotton situation that made your leaders believe, and say, and insist that cotton acreage must be limited this year.

All of you are tremendously interested in the size of this year's cotton acreage. Every year you're interested in the size of the acreage. Beginning in the spring everybody in the South listens for reports on the size of cotton plantings, the amount of fertilizers farmers have bought, and the progress of the crop. Everyone is anxious to know how big the current year's crop is going to be. As you know, when the supply is large cotton prices tend to be low; on the other hand, when the supply is small cotton prices tend to rise. One farmer expressed it to me in these words, "When we have little cotton to sell prices are high; but when we have a lot to sell prices are low." That is the reason everybody pays close attention to crop prospects during the growing season.

But the crop is only a part of the supply. Too often we overlook the carryover. The stocks of old cotton that are carried over into the new cotton year influence prices greatly.

This year cotton farmers and business men of the South have been keeping a close watch on the carryover. They know that the carryover is too large. The new crop that will come to market in a few weeks must meet the competition from the large stocks already there. That is why the leaders of the South insisted that the Agricultural Adjustment Administration use its tremendous power and resources to help cut down the size of this year's crop. They want to reduce the surplus.

In talking about a matter of so much importance to the welfare of the entire South, I know you will not mind if I use some figures.

Last August first we began the marketing year with a record carryover of American cotton. It was 13 million bales. Our crop also amounted to 13 million bales. That gave us 26 million bales of cotton for the marketing year which is now coming to a close. That was more cotton than had been consumed in the previous two years. The market had to carry the load of that supply when buying power was very low. The result was 5 cent cotton.

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Let us see how that situation of last year with a 13 million bale carryover at the start compared with some other periods in cotton history when the supply was too large. Then we shall be able to understand how excessive a carryover of 13 million bales really is. Compare the situation last year with the situation after the record crop year of 1926. Then the carryover was only 8 million bales. Moreover, at that time world prosperity was at a high level and cotton consumption was at a peak. Nevertheless, it took three years to work off the surplus of 1926. By August first, 1929, the carryover was again down to normal -- 4 1/2 million bales. Then it began to grow again. Each year since, the cotton surplus mounted. By August first, 1931, it had doubled; it stood at 9 million bales. Then came the large crop of 1931, -- a little over 17 million bales. That shot our carryover up to 13 million bales on August first last year.

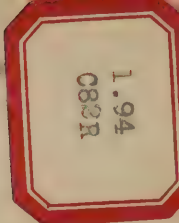
We do not know exactly how big our carryover will be on August first. But we do know that we had a supply of 26 million bales for this year. We know that the rate of consumption of American cotton, if kept up from now until August first, will bring about the use of around 13 1/2 million to 14 million bales. Therefore, we are going to have 12 million bales or more to carry over into next year. That's nearly three times as much as the carryover was in 1929. It is next in size to the record carryover of last year.

Now remembering what that carryover did to our prices last year, we can understand why the South is moving to cut down the size of the on-coming crop.

Leaders of the cotton growing and manufacturing industries who came in here to the conference last month expressed great concern about the situation. They did not have official figures on the acreage planted to cotton this year, or on the condition of the crop. But they had compared plantings in their communities this year with plantings a year ago. They realized that for the past three years farmers had reduced their cotton acreage as prices had fallen. They planted more food and feed crops in order to cut expenses. Last year the supplies of food and feed crops were abundant and the prices were very low. Apparently, smaller acreages of these crops have been planted this year. Sales of fertilizers have increased. Labor supplies this year are unusually large, and reports state that farm houses are now occupied that have been vacant for several years. The people who have moved back into these vacant houses know cotton. In years past they have grown it as their principal source of money. The cotton leaders in here for the conferences have gone over these facts. They do not want to see the South market its full potential crop this year in competition with another huge carryover. They told the Agricultural Adjustment Administration they wanted something done about it. They had their answer last Monday when Secretary Wallace and Mr. Peek announced the cotton adjustment plan for this year. This plan will enable the growers of the South to take up to 10 million acres out of cotton production this year and to receive cash compensation for doing it. Yesterday Mr. Cobb laid the proposal before you. It will be put before you in black and white next week in each of your communities.

In the past farmers have wanted to reduce the cotton surplus but could not do so. This plan makes it economically possible for the individual farmer to reduce his production. The aim is to bring a rapid adjustment of supply to consumptive requirements so the South may avoid a long continued depression.

Tomorrow I will talk to you about the prospective demand for cotton and the prospective influence on prices of supply and demand conditions.



THE COTTON SITUATION
2. Demand and Prices

A radio talk by Lawrence Myers, senior economist, Agricultural Adjustment Administration, delivered Thursday, June 22, 1933, in the Department of Agriculture period of the National Farm and Home Hour, broadcast by a network of 48 associate NBC radio stations.

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Yesterday, I discussed with you the supply situation for cotton which has led the leaders of the South to call upon the Agricultural Adjustment Administration for help in reducing this year's crop. You'll remember that we figured out the probable carry-over of American cotton on August 1st at more than 12 million bales.

Fearing a bad effect on prices if a normal cotton crop moves to market in competition with the huge carry-over, cotton leaders have called for the cotton adjustment program which opened last Monday. The success of that program depends upon the cooperation of 2 million cotton growers who will have the opportunity to enter into voluntary agreements to cut acreage and reduce the size of the crop going on the market this fall.

Everyone knows from past experience that the supply of cotton plays a large part in making the price. When supplies are large, prices are likely to be low; when the supply is reduced, prices rise. But demand, which is associated with consumer buying power and with business and financial conditions, also helps to make cotton prices. Yesterday, I promised you that I would try to outline the demand situation, and the prospective price situation for cotton, so that you may have more facts on which to base your decisions to take part in the South-wide cotton adjustment program.

Now I have no wish to pose as a prophet or the son of a prophet. Neither I nor anyone else can foretell exactly how all the influences that make prices will work out. All I can do is to point out to you how these influences normally work and what effects we can expect them to have.

Of course, improved demand helps prices of cotton or any other commodity. Improved demand may be brought about by a number of causes. There's little doubt that our cotton prices started to pick up four months ago because of prospects of better demand and a reduction in supply. The first pickup in quotations was in response to hopes of future betterment in demand and supply conditions. Then as soon as prices started to advance, demand did begin to increase. When they saw the quotations start to leap upward, textile dealers and merchants felt that it would be good business to increase their supplies before prices went any higher. All of a sudden the mills were running double shifts. Of course, that process can't continue indefinitely. In the long run consumer purchases must determine the rate of mill activity.

I would call your attention right here to the fact that the increased demand for cotton, and the consequent higher prices have been founded to some extent on the lower value of the American dollar in terms of gold and foreign currencies. Our own people, seeing the dollar become cheaper in terms of gold and other goods, have sought to change their dollars into commodities, like cotton, that gain value as the dollar loses value. At the same time, the decline

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in the value of the dollar makes it easier for the foreign consumer to buy our cotton. Since the first of April, prices of American cotton have advanced 20 to 25 percent more in terms of our currency than they have in terms of foreign currencies. In other words, the foreign buyer pays no more of his money now for our cotton at 9 cents than he would have paid 6 months ago for our cotton at 7 cents per pound.

In many countries the improvement in general business has stimulated textile sales. Foreign countries have bought our cotton heavily for the past two years. This was due in part to low cotton prices and in part to small cotton crops abroad. The oncoming crops in at least some of the other countries will be bigger this year than they were last year or the year before. Naturally, if this happens, foreign countries can continue to increase their use of American cotton only if their total consumption increases.

Well, you can see that the influences that make prices are very complicated. We can't know definitely what the future holds in store. But we can draw some pretty accurate conclusions about the outside limits of the demand for cotton goods. We all know that the purchasing power of consumers can't come back in the next 6 months to the level of the years from 1926 to 1929. Therefore we can't expect the consumption of American cotton in the coming season to exceed the level reached in the years of great world prosperity. Even if it should reach that level, the world would use only about 15 million bales of American cotton in the coming year. That's not much more than the average crop has been in the past 5 years. Therefore, we come back to the proposition --- if we send an average crop to market this year, we can't make much progress in disposing of the huge carry-over; and the carry-over, competing with an average crop, will be a heavy drag on cotton prices.

What have we now in the way of conclusions?

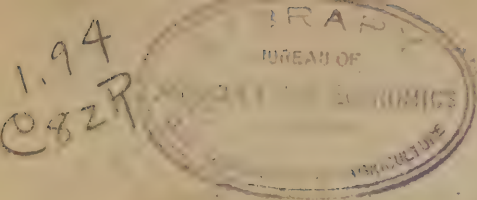
First, we know that the decline in the gold value of the dollar was partly responsible for the rise in cotton prices. We do not know what may happen to the value of the dollar in the future.

Second, we know there has been an improvement in demand. We hope the improvement will continue, but we know that some of the factors that brought the improvement are only temporary.

Third, we know that the carry-over will be huge, - the second largest on record.

Third, we know that an average crop would prevent any material progress in reducing the carry-over.

Lastly, if there is to be any reduction in this year's cotton acreage it must come through the cooperation of cotton farmers in the Adjustment program. That places the responsibility directly upon the farmers.



THE COTTON ADJUSTMENT PLAN

A radio talk by Paul A. Porter, Agricultural Adjustment Administration, delivered in the Department of Agriculture period of the National Farm and Home Hour, Friday, June 23, 1933, and broadcast by a network of 48 associate NBC radio stations.

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I have been asked to bring to you the latest developments in the Cotton Program of the Agricultural Adjustment Administration. The big news is that the contracts are bound for Dixie! These are the contracts the cotton producers will be asked to sign, offering to reduce a definite amount of the millions of acres that have been planted in cotton. Next week will be a most important week in the South and in the United States as well. The eyes of the nation and, yes, the eyes of the world will be focused on Dixie. America's great economic venture will be undergoing its baptism of fire.

This program which is being placed before the cotton producers has been explained to you in detail. Obviously there are many points that have yet to be explained. I can think of scores of questions which I am certain are in the minds of cotton producers. These questions must be answered before the contracts are signed. I have been asked to assure you that next week when the contracts are submitted to the cotton producer, full and complete information will be in the hands of county agents and local committees who will have charge of placing the contracts before growers.

It is my firm belief, however, that the majority of the cotton producers have sufficient information and a sufficient grasp of the plans to reach a decision now. Telegrams to Washington during the past several days would certainly indicate that many cotton farmers are ready and anxious to join hands with the Government in this great effort to improve the price of cotton and restore to the cotton farmer a fair share of the nation's income.

There are a few considerations to which I would invite your attention. Next week, Mr. Cotton Farmer, you will have the opportunity that is unequalled in the history of agriculture. We all realize that the plans that have been proposed are not perfect. No plans are. They have been designed to meet the needs of the majority of producers. I can conceive of situations wherein some growers might sit down with pencil and paper and figure that, on the basis of present market prices for cotton, he might well stay out of the acreage reduction program and take a chance on the market. I believe, however, that it will pay all cotton growers to join hands with their neighbors and take this step to adjust their production to a more stable economic basis.

But to all farmers I submit these reflections:

Is it not true that recent advances in the price of cotton have reflected influences such as depreciated currencies and the anticipation of this program of acreage reduction? Those who study the cotton market tell me that the trade has taken into account this attempt to reduce the production of this year's crop. What, then would happen if this program fails? The answer seems obvious.

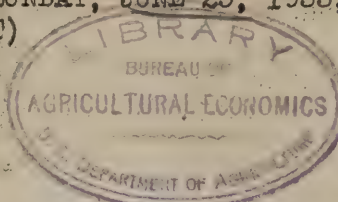
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And then, important as the cash consideration is in these plans, should not the farmer look to the future for part of his reward. Farmers should consider their collective interests as well as their individual state. As is the case with wheat, cotton farmers have been farming each other out of business, producing more cotton than the world market can absorb at a fair price. Consider your neighbor in making your decision as well as the future of the cotton industry.

In conclusion, I feel that this program for cotton which awaits the decision of the producers has tremendous significance to the entire program for agriculture. Many in Washington regard cotton as the test case in the "new deal" for agriculture. If the cotton producers take this plan, make it their own and make it work, they will have blazed the trail in this tremendous undertaking of a planned economy for agriculture.

This is a new venture. Many cotton producers have demanded the opportunity for action along these lines. Here is the chance. The Government is providing the machinery, designed to lift us out of this situation. But, it should be remembered, the responsibility, in the final analysis is upon the cotton farmer. The choice is his. And in arriving at a decision, the cotton farmer should consider that by joining hands with his neighbor and with his Government, he is doing more than merely to take care of the immediate emergency. He is embarking upon a course of sensible and practical planning, designed for permanent benefit, and a restoration of better days for Dixie.

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REMARKS BY CHARLES J. BRAND, COADMINISTRATOR, AGRICULTURAL ADJUSTMENT
ADMINISTRATION, OVER AN N.B.C NETWORK, SUNDAY, JUNE 25, 1933, AT
10:30 P.M. (EST)



Friends in the Cotton Belt:

This opportunity to talk with you tonight on the eve of Cotton Week gives me more than ordinary pleasure. I am to tell you something of the plan for cotton adjustment, which will be put before each cotton grower in black and white for his acceptance during the coming week.

This offer of Government assistance in doing the thing that cotton growers have been saying must be done seems to me to mark an epoch in our economic history. It is an outward sign and symbol of the tremendous change that has occurred since the fourth of March in our national attitude toward economic realities. It is evidence that we have chosen at last to face facts and grapple with them and bring blind economic forces under control.

After 12 years of merciless deflation and poverty, badgered and driven by circumstance, the farmers of the South now have the opportunity to plan and order their business, and thus to obtain a fairer share of the nation's income.

Only by cooperative effort of the majority can cotton producers cash in on this opportunity, however. The leaders of the South have asked that the provisions of the Agricultural Adjustment Act be applied to cotton in order to help remove the drag of the surplus on cotton prices. The Adjustment Administration after investigating all phases of the situation carefully have concluded that the request is reasonable and just. We have framed the plan and starting tomorrow, in 820 cotton counties, the county agents and other local citizens will place contracts applying the plan to each farm before the operators for their signature. If enough growers sign up to bring about adequate adjustment of acreage, the Secretary of Agriculture will validate the contracts. Then the men who sign will be compensated according to the terms of the contract.

If the plan is accepted and put into operation, the results hoped for are: first, to remove the threat to cotton prices of overwhelming surplus; second, to put cash into the hands of more than a million cotton farmers. That cash will go into circulation in a hurry. It will be spent by people long denied necessities and decencies of life and working equipment for their business. It will stimulate trade in southern cities and villages.

For that reason, all the people of the belt, not alone the farmers, have a tremendous stake in the acceptance of the cotton adjustment plan. Town and city have suffered with the countryside as the market charts have shown the downward course of cotton prices in the past four years.

The disaster to the cotton growers of the South has had few parallels in the history of American agriculture. In 1928, the cotton crop brought nearly one and one-half billion dollars. Last year the income of growers from cotton was less than half a billion dollars. Back of those statistics are hundreds of thousands of stories of business trouble and want in the cities of the South as well as lowered standards of living and farming in the country.

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of stories of business trouble and want in the cities of the South as well as lowered standards of living and farming in the country.

I recently saw a report of a farm management survey in a cotton state. The survey was made in 1931. It covered 638 farms. Only 88 of the farmers had spent anything for building materials during the year. You can imagine the crimp put in the building supplies business in the communities serving these men by the low price of cotton.

The business men of the nation have awakened to the evil consequence of destroying farmer buying power. It is realized probably more keenly in the South than in any other section. Commercial leaders there see that if we permanently keep the buying power of farmers at nothing, we permanently remove the jobs of many city people.

But, some may ask, why worry about that now? The days of 6-cent cotton seem to be definitely past. The leaders of the South answer that question by saying that they are determined not to return to the days of 6-cent cotton. They have gone into the present situation of cotton, faced the facts, and decided that there is danger in them. They have asked the help of the Government in removing the threat to cotton prices that exists in the huge surplus now on hand from crops of other years.

As soon as the Agricultural Adjustment Administration started its work, Southern leaders came to us. They said, "If an average crop of cotton goes to market this fall, it will have to sell in competition with a carryover of at least 12 million bales. That's almost as much cotton as we will sell this year. We don't have any official reports on acreage planted to cotton, but we have looked around in our home counties. Cotton prices have started up just at planting time. Our people didn't get good prices last year for the crops we can grow in place of cotton. The incentive to put in more cotton this year is strong. Of course demand has improved. We hope it will continue to improve. We want you to see that the Government uses all its force to step up the demand for American cotton. But even if it rises to the highest point in history, it will not be large enough to whittle down that surplus very much.

"The crop this fall will have to sell in competition with that 12 million bales of carryover cotton already in the warehouses. We are afraid that if the crop is average, the carryover will be a terribly heavy drag on prices.

"The Agricultural Adjustment Act gives the Adjustment Administration the power to help growers cut acreage by compensating them so that they will have enough income to meet their running expenses. We earnestly request that you use that power and save the South from the possibility of low-price cotton for the fourth straight year.

"We ask that the Government step in with its strong centralizing power, and make it possible for our growers to quit farming each other out of business and our workers out of jobs."

We investigated all angles of the situation. We set efforts in motion to find possible new outlets for American cotton. We are determined that the United States shall not retire from any market that we can keep, and we are determined that any new markets that show up anywhere shall be captured.

But we came to the same conclusion that had been reached by the men of the South -- the supply is too great for the effective demand, and the best interests of cotton growers and the people who make and sell things to them require that a crop of less than average size go to market this fall.

However, the Government cannot by wave of magic wand bring about desirable outcomes in the economic life of the people. The Government can simply provide machinery which its citizens may use in ordering their activities. So the Agricultural Adjustment Administration has framed a plan. The people of the South are the ones who will decide whether that plan will be put into operation, and, if it is put into operation, whether it will work.

The basic principle of the plan is that growers who reduce their acreage will be compensated by the Government of the United States. Each man who wishes to accept the plan will make a written offer, on a form provided by the Administration, and presented to growers by local citizens, to take out of production a designated number of acres for a specified compensation.

A man may offer a minimum of 25 and a maximum of 50 percent of his acreage. The compensation for removing it from cotton production will be calculated on the basis of the productivity of the land.

Each man cooperating has a choice as to the form of compensation. One plan calls for compensation in cash only. The other provides for paying part of the compensation in cash, and part in the form of an option on government-owned cotton at 6 cents a pound.

The scale of compensation to the men who choose to take cash only ranges from \$7 an acre for land yielding 100 to 124 pounds up to \$20 an acre for land yielding 275 pounds or more.

The men who choose to take the combination of cash payment and option on cotton will be paid on the following basis: Cash -- from \$6 an acre for land yielding 100 to 124 pounds an acre up to \$12 an acre for land yielding 275 pounds or more: Option -- for each bale of reduction in the estimated crop, the grower receives an option on a bale of cotton already in the warehouse. When the cotton is sold, the Secretary of Agriculture remits to the grower the difference between 6 cents a pound and the market price received. If the price goes to 6 cents or below before the grower authorizes sale, he will stand no loss. No cash is to be paid by the grower for the option. In other words, under the option plan, the grower receives a cash payment, plus an option at 6 cents per pound on the same amount of cotton he would normally pick from the acreage removed from production.

To see how the two plans work out, let's assume the case of a man who is ready to cooperate by taking 20 acres out of production. Let's say his estimated yield is 165 pounds.

Now if he chooses the cash payment without option, here is the way it would be calculated. His yield of 165 pounds falls within the range 150 to 174 pounds. The full cash compensation for this range is \$11 an acre. His payment would be 11 times 20, or \$220.

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If this man chooses the option plan, his compensation would be calculated this way. In the 150 to 174 pound range, the cash payment in the option plan is \$8 per acre. Therefore his cash compensation would amount to 8 times 20, or \$160. He is further entitled to an option on the number of bales of cotton estimated to be taken out of this year's crop by his acreage reduction. In pounds, his reduction would be 20 times 165, or 33 hundred. That is 6 and three-fifths bales. So the total compensation under the option plan would be \$160 cash plus 6 and three-fifths bales of cotton, placed to his credit at 6 cents.

Local men, organized into adjustment committees and working with the county agents will place the contracts before growers. These local committees will also enforce the rules and regulations on taking the land out of cotton and putting it into soil improving or erosion preventing crops or feed or food crops for home use. The committees will certify the eligibility to receive payments of growers complying with the regulations.

It is plain, then, that the cotton adjustment plan is offered in response to the wish of the Southern leaders; it will be put into operation only if the majority of cotton growers signify their intention of cooperating by signing the applications for contracts to be offered this week; it will be administered by local citizens in each community.

We of the Agricultural Adjustment Administration believe that the cotton adjustment plan is a practical business measure. We feel that we have no right, in view of agriculture's 12 long years of merciless deflation and poverty, to put forward any plan that will not manifestly increase the farmer's income.

We believe that the situation demands that we put a smaller crop of cotton on the market this fall; that the fair way to bring this about is to enable growers to divide the reduction pro-rata; and divide the compensating payments pro-rata to those who cooperate in the plan. As it is, a man may decide with the best will in the world to add to his cotton acreage. But the point is now that he is not simply adding to his own acreage, he is adding to the cotton acreage of the United States. The United States is one farm now, and the total products of that great farm go on the market together and by their degree of over-abundance or scarcity determine prices. If enough men decide it is a good thing to extend acreage in any given year and do so, they will wreck the price, pull down their own profits, and reduce the income of both themselves and their neighbors. If enough men decide to keep the acreage in line with the needs of the market they can do so, bolster the price, increase their own profits, and the income of themselves and their neighbors.

The choice is definitely up to the growers of the South this week. The logic of the situation and the spirit of good will among men shown by the first response to our announcement of the cotton plan lead me to believe that they will choose the road of cooperation; that we are through with dog-eat-dog economics.

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REMARKS BY CHESTER C. DAVIS, PRODUCTION CONTROL ADMINISTRATOR, AGRICULTURAL ADJUSTMENT ADMINISTRATION, OVER COLUMBIA BROADCASTING SYSTEM, SUNDAY, JUNE 25, AT 10:15 P.M., E.S.T.

Thank you, Mr. Peek.

Friends of the radio audience:

As Mr. Peek has told you, this radio program opens Cotton Week -- a week in which cotton growers will decide whether they wish assistance from the Government in reducing this year's acreage and removing the threat to cotton prices of a huge supply of the staple.

I welcome this opportunity to visit with you in your homes, to tell you of the present cotton situation, of the appeals that the Adjustment Administration use all its powers and resources to meet the situation, and of the plan that we offer in response to those appeals.

The plan developed naturally from the thinking of Southern leaders. It will be put into effect if cotton growers indorse it by offering this week enough acreage adjustment to achieve its object -- to adjust cotton supply to consumptive requirements and thus enable the South to avoid the price penalty for putting a normal crop on the market this fall in competition with a carryover more than twice the normal.

The story of that carryover begins on August 1st, 1929. On that date we started a new cotton marketing year with a carryover of normal size -- 4 and one-half million bales. During that marketing year the depression set in, and consumption of cotton began to fall off. Our production kept up at the same pace as before the depression. By 1931, the carryover had doubled.

It stood at 9 million bales on August 1st of that year. And that fall, we picked a crop of over 17 million bales. That shot our carryover up to 13 million bales on August 1st last year. Our 1932 crop amounted to 13 million bales.

We do not yet know what the exact size of our carryover will be on August 1st this year. But we do know that it will be 12 million bales or more. As this fact has become increasingly clear, leaders of the South have clamored for action under the Agricultural Adjustment Act to limit the size of this year's crop. They insist that if we send an average crop to market this year, we can't make much progress in disposing of the huge carryover; and that the carryover, competing with an average crop, will be a heavy drag on cotton prices.

Shortly after the Agricultural Adjustment Administration came into existence last month, Mr. Cully A. Cobb was appointee chief of the cotton production control section. He immediately went back to the Cotton Belt to confer with the people there. He found an almost unanimous sentiment that something must be done

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to avoid having an average cotton crop go to market this fall in competition with the inevitable huge carryover.

Mr. Cobb came back to Washington, and reported to us. We called a meeting of representatives of cotton growers, handlers and processors. It was held on June 3rd. Again the majority opinion was that acreage must be limited. The man at that meeting did not have any official figures on this year's acreage, but they had compared plantings in their communities with plantings a year ago. As one speaker at the meeting expressed it, farmers had plowed up their fence rows and their backyards for cotton this year. For the past three years the growers had reduced their acreage as prices had gone down. They had planted more food and feed crops in order to cut expenses.

Last year, the supplies of food and feed crops were abundant and prices were low. Apparently smaller acreage of these crops have been planted this year. Sales of fertilizers have increased. Labor supplies this year have been unusually large, and reports state that farm houses are now occupied that have been vacant for several years. The people who have moved back into those vacant houses know cotton. In years past they have grown it as their principal source of money.

Well, the leaders went over these and other facts in the conference on June 3rd. They concluded that the inescapable logic of the situation pointed to acreage reduction as the only way out. They asked us to use the powers and the resources granted by the Agricultural Adjustment Act to enable cotton growers to cut their acreage and put on the market this fall a crop small enough to sell at a fair price.

Recognizing the logic of their plea, the Adjustment Administration decided to answer it as Mr. Peek has told you. We people in the production control side of the Administration were instructed to work out a plan that would make it possible for growers to cooperate in acreage reduction. We have done that. Now, we are submitting it to every man growing cotton. If enough men offer to take enough acreage out of cotton, the Secretary of Agriculture will accept their offers and the adjustment plan will go into operations.

Here is the plan. The gist of it is that producers who reduce their acreage will be compensated by the Secretary of Agriculture. That is the difference between this plan and previous acreage reduction proposals. This plan calls for cooperation with a new promise -- the promise that this time, the men who cooperate will get the benefits.

Each of you who wish to cooperate will make a written offer, on a form that will be presented to you this week, to take out of production a designated number of acres for a specified compensation. You may offer from 25 to 50 per cent of your acreage. You will be compensated, if the plan goes into operation, on the basis of the productivity of the land you offer to take out of cotton.

The plan provides two alternative forms of compensation for acreage abandonment. You may choose either one. The first plan provides for compensation in cash only. The second plan provides for paying part of the compensation in cash, and part in the form of an option on government-owned cotton at 6 cents

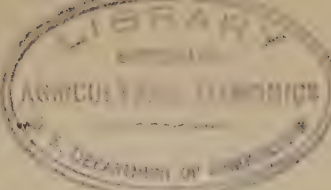
In case you elect to take your compensation solely in cash, it will be calculated on a scale ranging from a payment of \$7 an acre on land yielding 100 to 124 pounds up to \$20 an acre on land yielding 275 pounds or more.

The cash payment part of the compensation if you elect to take part cash and part cotton option will be calculated on a scale ranging from \$6 per acre on land yielding from 100 to 124 pounds up to \$12 an acre on land yielding 275 pounds or more. In addition to the cash payment, you will receive an option on cotton from the Secretary of Agriculture at 6 cents per pound. For each pound of reduction in your estimated crop, you will receive an option on a pound of cotton already in the warehouse. In other words, under the option plan you will receive a cash payment, plus an option at 6 cents per pound on the same amount of cotton that you would normally pick from the acreage taken out of production.

Let's work out a little problem in the application of this option plan to show how it works. Say you have 20 acres in cotton now and you usually get about six bales off that land. If you will agree to take 8 acres out of cotton, the Government will pay you \$64. In addition, it will give you an option to buy 1200 pounds of lint cotton at 6 cents per pound. That means that next fall you will have your full crop to sell, and if the present price is maintained or improved, you will get a profit that represents the full difference between the sale price and the 6 cents a pound you paid for the cotton. Furthermore, in no case will you be responsible for any loss that might occur in connection with the cotton held for you.

Well, you can make further calculations for yourself. The whole proposition is to be placed before each cotton grower by county agents, and members of local committees that have been organized this past week in 800 counties. The final word I would leave with you tonight is this: the cotton acreage adjustment plan is offered at the demand of the South. The growers are to say whether they want it. We shall not attempt to force it on them. The offer is to be carried to each farm by citizens of the community. The administration of the plan, if the growers signify they want it by signing enough contracts, will be in the hands of local men. This thing will not work unless everybody in the Cotton Belt takes hold of it and tries hard to make it work. I know that you will consider the logic of the present cotton situation, and the fact that this time cooperation pays the men who cooperate, and will make your decisions on the basis of these facts.

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REMARKS OF GEORGE M. PERK, ADMINISTRATOR OF THE AGRICULTURAL ADJUSTMENT ACT, OVER COLUMBIA BROADCASTING SYSTEM, SUNDAY, JUNE 25, at 10:15 P.M.

Last Monday evening, over this same network of radio stations, I presented to the people of the Cotton Belt an outline of the cotton adjustment plan that had been announced that morning.

During the six days which have elapsed, details of the plan have been worked out. An organization has been created to lay the proposal before each cotton grower during the week starting tomorrow, June 26th. This work will be in charge of the production administrator of the Agricultural Adjustment Administration, Mr. Chester C. Davis, and the chief of cotton production control, Mr. Cully A. Cobb. Mr. Cobb is now in the South, but Mr. Davis is here in the studio with me. In a few minutes I am going to ask him to explain essential points of the plan.

Before Mr. Davis talks these points over with you, let me make clear how cotton acreage adjustment dovetails into the whole broad policy of agricultural recovery.

The aim of the national policy for agriculture is to raise farm prices; to raise them to a point where farm products will purchase as much of industrial products as they did before the war, and to prevent them from falling below that level. That is what farmers through their organization leaders have been asking for a dozen years; that is what this Administration is trying to give them. We shall use all the power placed in our hands by the Agricultural Adjustment Act, and in other new and old legislation to accomplish this result.

At the World Economic Conference in London, our delegation is seeking international agreements to improve the foreign demand for our goods. The Reconstruction Finance Corporation recently announced loans to China for the purchase of American cotton. The Adjustment Administration is looking into the possibilities of opening other outlets abroad.

In short, the plan for cotton adjustment does not mean that we are retiring from any old export market that we can keep or any new one that we can capture. But no matter how successful we may be in expanding consumption of American cotton at this time, we have on hand too large a surplus competing with this year's growing crop. This surplus depresses cotton prices.

When a manufacturer faces a situation like this, he cuts down his production and sells his inventory. He does not go on producing excessive supplies. This is the method proposed now for cotton farmers. The Government will help them to cut their production of American cotton by paying them for this reduction. The money to make these payments is to be raised by a processing tax on the manufacture of cotton.

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Let me assure you that before offering this plan, we made every effort to make certain that the processing tax need not cut down the consumption of cotton goods. We made studies indicating that there is now a big enough spread between the price of raw cotton and the price of yarns and goods to enable the processors to absorb a part of the tax at least; and that the part passed on to the consumer should not cause a marked increase in the price of clothing made from cotton.

Now I know that you of the Cotton Belt are anxious to hear more of the plan itself. Therefore, I am happy to present to you, Mr. Chester C. Davis, the production control administrator of the Agricultural Adjustment Administration.

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From THE COLUMBIA BROADCASTING SYSTEM
12th Floor, Shoreham Building, Washington, D. C. 6/26/33
Metropolitan 3200

U. S. D. A. AGR. ADJUST. ADMIN.

For Release Monday, June 26, at 10:15 P. M.

GENERAL W. I. WESTERVELT REPORTS PROGRESS OF "COTTON WEEK"

(Following is a copy of an address by General W. I. Westervelt, Director of Processing Division of the Agricultural Adjustment Administration, over the Dixie network of the Columbia Broadcasting System, Monday, June 26, from 10:15 to 10:30 P. M., EST. General Westervelt is one of the series of speakers who will report the progress of "Cotton Week" to the South.)

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I know that all of you listening tonight are very much interested in the progress made in the first day of the "Cotton Week" effort to adjust this year's cotton production to the needs of the market.

Speaking on behalf of Mr. Davis and Mr. Cobb, the men of the Agricultural Adjustment Administration in charge of the "Cotton Week" effort, I can report to you that most encouraging news has come in from the headquarters in the various cotton States. Director D. P. Trent, of the Oklahoma Extension Service, in charge of the adjustment program in that State telephoned this afternoon to predict that all of the contracts for acreage reduction in Oklahoma would be in the hands of the growers and that the percentage of reduction desired would be signed for by Saturday night.

Other extension directors and local adjustment committee leaders have sent in similar reports. These returns from the first day's efforts confirm the indications that came in last week after the announcement of the program for cotton adjustment that the cotton growers of the South would indorse their leaders' statements that the whole belt appreciated the need for and was ready to cooperate in cotton adjustment.

To indicate the spirit that evidently prevails among cotton growers and cotton handlers, let me quote to you from some of the telegrams we have received following the announcement of the adjustment plan.

Here is one from B. Robery and Company, cotton merchants of Frederick, Oklahoma:
Quote Cotton farmers received report on acreage reduction very favorably stop
Anticipate no trouble in securing proper reduction in southwest Oklahoma stop Our
organization ready to render any assistance in helping carry out plan. End of
quotation.

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1. The first of the following conditions are very much improved in the
2. The second of the following conditions is the "Cotton" which is almost
3. The third of the following conditions is the "Cotton" which is almost

Mr. Morgan Peacock, of Cleburne, Texas, made his comment short and to the point. He telegraphed. Quote Indorse and am willing to abandon one-third of my cotton acreage stop Success to your plan. End of quotation.

Here's one from Georgia. Quote I promise you my fullest cooperation in your cotton program stop Will take out of production any part of my 600 acres you think necessary. End of quotation. Signed, James Fowler, Soperton, Georgia.

And one from a banker in Terrell, Texas, Mr. W. P. Allen. Mr. Allen telegraphed Quote Until I saw your cotton plan in the press yesterday I have been unalterably opposed to any legislation relative to the farmer because every piece of legislation heretofore enacted has been to his detriment stop If I understand your cotton proposition and I think I do I am heart and soul for it and will do everything in my power to make it a success and every officer and director of every bank in Kaufman County will give you his services free during the campaign stop Your plan is the only sensible thing I have ever seen advocated as it will do away with the surplus that has been hanging over us for three years stop Everyone going into this should be fair to the farmer and fair to the Government. End of quotation.

From these telegrams, sent by cotton farmers, cotton merchants and bankers, and from the pleas made to the Agricultural Adjustment Administration by textile manufacturers to take some action respecting this year's cotton acreage, it is plain that every element of the industry is lining up behind the cotton adjustment plan. The men and women of the South are ready to take hold of the plan and make it work.

As Mr. Davis remarked to you yesterday evening, the cotton adjustment plan is really the plan of the Cotton Belt. It is not something formulated in Washington. It grew out of the whole cotton industry's recognition that the cotton supply situation held dangers to a continuation of the return march toward better days for the belt that seems underway with the advance of cotton prices.

The men of the textile industry were just as emphatic as the men representing cotton growers in stating their uneasiness over the huge supply of cotton on hand, their belief that a crop of normal size must not be allowed to sell in competition with that carryover, and their desire that the Government use its powers to bring this year's acreage under control.

At the cotton conference on June 3rd probably the two strongest statements of the danger in the cotton supply situation were made by representatives of textile manufacturers. Speaking for the American Cotton Manufacturer's Association, Mr. Cason J. Calloway phrased the situation as follows:

Quote The statistical position of cotton seems a very simple thing to me. If we have around 12 and a half million bales of carryover cotton on August 1st, and

if we have an appreciable crop coming on after that August 1st carryover, the American farmer is going to get very little for his crop. There are just two things that aid the price of cotton. One of them is to use less cotton. The other is to use more. End of quotation.

Mr. William B. Anderson, speaking for the Cotton Textile Institute, saw the same logic in the situation. He said, and I'm quoting him:

"We have a gigantic surplus of American grown cotton, 12 and a half to 13 million bales carryover on August 1st in prospect. We have an increased acreage in cotton already planted and coming rapidly toward maturity, and if we should have a reasonable yield on that acreage, I fear that everything that has been accomplished so far that seeks to build up the income of the cotton farmer of the South, to increase his purchasing power, will largely be lost. In such an emergency, I think possibly emergency measures might well be considered.

"The only way that I know to truly serve the interests of the Southern cotton farmer and those of us who have his interests at heart and those of us who depend largely on his prosperity for our prosperity is to reduce the amount of available cotton that is to come on the market." End of quotation.

Now I have quoted at some length from these telegrams and these statements of farmers and bankers and manufacturers to drive home the point that the whole industry has a tremendous stake in the success of the cotton adjustment program. When I speak of the cotton industry I am referring to all who are affected by that fleecy staple which so dominates the economic and social life of the South. The humble plantation hand, the individual cotton farmer, the plantation owner with his broad acres, the tenant, the farm laborer and all who have to do with the planting, picking, and production of the cotton, as well as those who deal in the marketing of the cotton and those who spin and weave it -- all have a vital interest in adjustment. Their interest is not that of the curious observer who watches the beginning of a great economic venture. Their interest is in their own incomes and wellbeing.

The first response indicates that all elements in the industry recognize where their interest lies. I believe we all see pretty clearly now that a limit must be put upon individual effort; that we cannot go blindly on farming each other out of business, or working each other out of jobs. We recognize that exactly as individual business must be planned in advance, so must all business, including farming and manufacturing be planned in advance.

After years of despair, we begin to see once more America as a land of renewed opportunity. We can have abundance for all, if only we will plan and balance that abundance in a statesmanlike and businesslike way. But our planning

and balancing must take account of the fact that all America is one neighborhood now, and that for making our plans work we need modern social and governmental machinery framed with that fact in mind.

The Farm Act and the Industrial Recovery Act are perhaps the two best examples of this modern sort of governmental machinery. As you know, the Industrial Act to a degree develops from the Farm Act. They are companion measures, for we cannot possibly lift with any degree of permanence the price of food and fabrics, we cannot restore to agriculture a reasonable degree of prosperity unless at the same time we raise city wages, and get people out of the breadlines, back to work.

The cotton industry recognizes that. Therefore, while its leaders point to the necessity of controlling and balancing the abundance of cotton production, through the use of the Governmental machinery set up in the Agricultural Adjustment Act, they also are moving to use the machinery set up by the Industrial Recovery Act in order to improve labor conditions, and trade practices, and so on. They have stated to us and to the National Recovery Administration that they now see a chance to do what 80 per cent of the industry long have wanted to do, but could not because of the recalcitrant minority that overlooked the longer view of the industry's welfare in their short-sighted search for immediate profits.

So we move toward a new balance and a new justice in the cotton industry. But the first step is the adjustment of the cotton supply to the needs of the market. That adjustment must be made by the growers themselves. Their leaders have asked that the growers be given the opportunity to do the job. The Agricultural Adjustment Administration has considered their request. We have investigated all phases of the situation. We have confirmed the facts they presented about the enormous size of the cotton carryover, and the probability that that carryover would act as a heavy drag on cotton prices if a normal sized crop should move to market this fall. We have started efforts to find out if it is possible to increase the consumption of American cotton in foreign countries, and we shall continue those efforts.

We also have investigated the possible effects upon consumption of cotton goods in this country of placing a tax upon the processing of raw cotton, and have satisfied ourselves that neither the consumption nor the consumer need be harmed by the imposition of such a tax. You all understand, I am sure, that the Agricultural Adjustment Act directs the Administration to make sure that the interests of the consumer are thoroughly protected at all times. The Administration has appointed a distinguished gentleman, Mr. Frederic Clemson Howe as a sort of consumers' counsel to see that these provisions of the Act are obeyed completely.

We have tried to protect all interests at every step, including the interests of farmers. The adjustment plan is placed before them this week as a practical business measure; an action for each individual to take in order to increase his own income and the incomes of his neighbors. We feel that we have no right, after farmers have been through long years of merciless deflation and poverty, to offer them any plan that does not manifestly add to their incomes and increase the share of the nation's wealth allotted to them.

If enough men accept the plan for cotton acreage adjustment, it will be put into operation by the Secretary of Agriculture. When that day arrives, I think the Cotton Belt can congratulate itself on making a good start at a job which its leaders have been saying for years must be done. -- bringing the cotton surplus under control. And when the men of the Cotton Belt have carried through the job -- for local citizens are going to administer this proposition from beginning to end -- when the job is completed, it will prove to be a business blessing to all the people of the belt, not alone the farmers.

For practical purposes, a surplus is an excess of any crop that bears down farm prices to the point at which most of the growers cannot afford to buy the manufactured goods they need to live and farm like self-respecting American. When that happens it directly affects not only the farmers and their families, but all of rural America. That means two Americans out of every five. It means an even larger proportion of the population of the Cotton Belt. When the farmers have no money to spend, business suffers in every rural community. When business in every rural community suffers year after year, the suffering spreads in time and encompasses all of the Cotton Belt, and all of the country. That has been the story from 1929 onward. It is a hideous paradox, but the truth of it is plain -- the higher we pile our surplus of cotton, the fewer will be the factories open and running, the longer the breadlines, the greater the threat of social disorder.

For these intensely practical reasons, I am sure we all rejoice in the evidence that cotton growers now stand ready to join with the Government in scaling down the cotton surplus. It's good business for the entire South and the whole country.

(END)

...to protect all interests at every stage, including the interests
...The adjustment plan is placed before them this week as a practical
...an action for each individual to take in order to increase his
...income and the incomes of his neighbors. We feel that we have no other
...plan that does not manifestly add to their incomes and increase the
...share of the nation's wealth allotted to them.

...-It is not a plan for cotton nor a adjustment, it will be put
...into operation by the Secretary of Agriculture. When that day arrives, I think
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...suffers, the farmers suffer. It is a vicious circle.

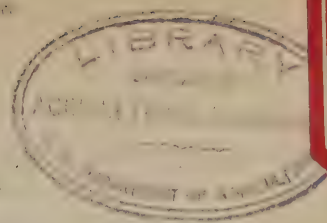
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U.S. DEPARTMENT OF AGRICULTURE

JUL 11 1933



Continuation plan

A radio talk by J. A. Evans, associate chief, Office of Cooperative Extension Work, delivered over an NBC network, 10:30 P.M., Monday, June 26, 1933.

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Within two weeks it is expected that the results of the great cotton referendum which starts today will be known and announced. The purpose of the referendum is, to find out whether the majority of some two million cotton farmers located in more than 8 hundred counties in 16 States are willing to accept the offer of the Agricultural Adjustment Administration, to pay stated benefits to cooperating farmers who will agree to take out of production from 25 to 50 percent of their land now planted to cotton. Those who want the plan to fail, call it fantastic, socialistic and revolutionary. But much evidence has already been received tending to assure the Administration of its enthusiastic support by farmers generally throughout the entire cotton belt.

The objective of the plan is to reduce this year's cotton crop by from three to four million bales, by taking out of cultivation, 10 or more million acres of growing cotton. The power and resources of the United States Government put behind this plan, assure cooperating farmers that the promises of the Administration as to benefit payments will be surely and literally kept, if they perform their part of the proposed contract. Some of the reasons for proposing this startling and drastic course of action are:

1. That because of low prices for cotton the growers have since 1928 suffered disasters which are hardly parallel in the history of American agriculture.

2. That during this time, there have been piled up and now exists, on the farms of the South, and in the markets of the world, an enormous surplus of cotton, amounting to approximately 13 million bales. Enough, or more than enough at the present rate of consumption, to supply the entire world demand for American cotton, for another full year.

3. An increase in planted acres and favorable seasonal conditions so far this year, makes it probable that another large cotton crop of 13 to 15 million bales may be harvested this fall. The Administration, farm leaders, business men and progressive cotton farmers all realize that such a situation means increased hardships and disasters for the South if nothing is done. "Action and action now" to give some measure of relief has been urgently demanded, and is now proposed. The offer made to cooperating farmers is a plain business proposition, not only fair and equitable, but liberal. It is in effect a proposal to buy the cotton you could fairly expect to grow in an average year on 25 to 50 percent of the land now in cotton and pay for it as soon as this part of the growing crop has been destroyed. If cotton growers in sufficient numbers to assure the attainment of the objective, accept the offer, it would release one hundred million dollars or more to Southern farmers this summer, for a portion of the crop they could not otherwise sell until this fall. To take this referendum is an enormous task. The proposition must be presented and explained to practically two million cotton farmers. Seventy to eighty percent of such farmers, it is believed, must sign definite legal irrevocable offers to lease, the required 25 to 50 percent of their lands now planted to cotton, if the plan is made effective. The necessary inspection must be made to insure that the offers are based on fair and reasonable estimates as to yields and grades; necessary adjustments and agreements must be made with landlords, mortgage

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and lien holders or other who may have a direct personal interest in any particular crop which is offered for lease, and all this it is planned to do within the next two weeks. I am recounting the appalling size of the task, in order to emphasize how necessary it is that cooperating growers and others interested in the success of the plan, give voluntary help in every way possible during the period of the campaign. This assistance may take many forms; copying reports or other clerical work; aiding farmers to fill out their lease offers; measure and stake out land for farmers and help and estimate its productivity; address meetings, and in many other ways. The point is that every one who wishes the plan to "go over" in the time set, should do his or her part to "put it over". It would in my opinion greatly hasten the work of committees if each farmer would select the land he desires to lease, mark it out conspicuously, so that it could be readily identified for inspection, satisfy himself by gin records or otherwise as to the average production on such land and verify his estimate of the acreage involved before he goes to the local committee to execute his lease offer. I should want in his place to have my neighbors assist me in this work so as to discuss with them my estimates and satisfy them, as to their fairness. There will be local committees in every cotton growing community of approximately three hundred farms. Volunteer teams in each community could assist farmers in posting and measuring land, and in ascertaining the other definite facts which they will need to make out lease offers properly and in this way speed up the whole campaign. Community spirit and pride should be invoked in order to bring about concerted effort, not only to secure a high percentage of community cooperation, but also to see that all offers to lease were based on estimates fair alike to both the farmers and to the Government.

Let me repeat, that it appears that it will be necessary that 70 to 80 percent of all cotton farmers sign lease offers on terms acceptable to the Secretary, before the plan can be put into effect. A lower percentage of signers than this, would probably not represent a sufficient acreage or baleage to accomplish the end sought and make it worth while to go on with the plan.

It is important for field agents and workers to emphasize this fact. In other attempts at acreage reduction or to organize cooperative movements many farmers at heart wishing the movement to succeed would not themselves join in it. They selfishly reasoned that by staying out they could enjoy the benefits of the cooperative movement, without contributing anything to it. This selfish spirit has retarded the progress and destroyed the usefulness of many farmer movements, which if whole-heartedly supported, would have been of great value.

It is the great merit of this plan that it rewards the cooperating farmer and leaves the non-cooperator to take the risks.

It should be pointed out to farmers of the type who are inclined to let others "hold the umbrella" while wishing the movement to succeed, that if they do not cooperate this time there will probably be no umbrella. It is up to you, Mr. Cotton Grower, not only to offer cooperation to the Government but to offer it on a fair, conservative basis. Otherwise your contract may possibly be rejected either by the local committee or by the Secretary. The Administration's sole purpose in making their offer is to make it possible through benefit payments to you, for you to help yourself, by reducing this year's cotton crop and the enormous carryover. It is not its purpose to pay you a dole, and certainly not, to pay acreage benefits based on inflated estimates either of yield or acreage. But you may ask, "How can local committees or the Secretary judge the reasonableness of an estimated yield on individual land?" The basis on which the Secretary expects lease offers to be made and benefits, if any, to be paid is average production of the particular land.

Local committeemen will all be familiar with farmers, their soil types, and customary yields in their respective committees.

Average production as a measure of benefit payments is believed to be fair to the farmer and fair to the Government. In many sections of the country last year drought or other seasonal hindrances reduced the cotton crop to far below normal. Good farmers on good land made but a third to one-half of what they were accustomed to make, on the same land. It would be manifestly unfair to expect such farmers to be willing to accept benefit payments for taking cotton out of production this year, on the basis of what the same land produced last year. In other sections of the country seasonal conditions were unusually good, and farmers made yields of cotton often twice as large as they could reasonably expect to get, on the same land, under average conditions. Manifestly in such cases it would be grossly unfair to ask the Government to pay these farmers benefits based on the production of their land last year. But the average production in normal years, or over a period of years, is fair in both instances. The Government has the official estimates of acreage planted to cotton and the actual number of bales of cotton ginned in each of the 820 principal cotton growing counties in the United States for the years 1928 to 1932. It is on the average acreages planted these five years that the tentative State quotas of land to be taken out of cotton production is based. It is against the 5-year average yield per acre of each of these individual counties that the estimate of yields per acre contained in lease proposals from each of the same counties will be checked. Of course, these are average yields of entire counties, and the individual yields varied widely. But, if 70 to 80 percent of the individual farmers in each of these 820 counties make lease offers, the average of their separate estimates, if reasonable, would very closely parallel the statistical average for the entire county for the last five years. If the average of all estimates from any given county greatly exceeds the known five-year average per acre for such county, it would certainly at least create a suspicion that the estimates had been placed unduly high for the purpose of securing unfair benefit payments, and such estimates would certainly be carefully investigated before being approved. It is hoped and believed that farmers everywhere will realize that the honor their communities and counties is at stake in this matter, and be willing, as the saying goes to even "lean back a little" in order to be sure that their yield estimates are not open to just criticism. The proposition of accepting or rejecting the offer of the Government and giving cooperation in putting into effect this plan for reducing cotton production should never be considered solely from the standpoint of one's purely personal, immediate profit. There is much more to your decision than this. There is also the question of your willingness to cooperate with all other growers for effective action for the benefit of the cotton industry and the whole country.

This will be the first battle in the great war which the President and the Administration are prepared to wage against the present unjust economic system and the awful conditions which they have brought about. A war to restore prosperity to agriculture and the rest of the Nation by increasing the purchasing power of American farmers. Because of the urgent necessity for action regarding cotton, you, Mr. Cotton Farmer, have the opportunity to be the first to join battle in this great campaign for a New Deal for agriculture. The eyes of the world will be upon you for the next two weeks. If you whole-heartedly accept the Government's offer and cooperate to make the cotton acreage reduction plan effective, that fact, when announced, will make headlines in every newspaper in the world. Such an announcement will have its repercussion on the price of cotton in every mart in the world

where cotton is bought, sold or handled, and it should have an immediately stimulating effect on all business in the South and elsewhere in the United States.

Your action in such cases will refute the long standing belief that cotton farmers could not be induced to work in unison for the general benefit of the industry as a whole. It will greatly strengthen and hearten the Agricultural Adjustment Administration in the further prosecution of its plans and it will stimulate producers of other basis products to also cooperate in plans for bettering conditions in their particular commodity. I feel assured, Southern farmers, that you have the collective "will to win" and that in cooperation with your Government you will win through your actions during the next two weeks a lasting victory over your old enemy "The Cotton Surplus". You could never have won by your unaided efforts.

THE COTTON ADJUSTMENT PROGRAM

REMARKS OF C. A. COBB, CHIEF OF COTTON SECTION, AGRICULTURAL ADJUSTMENT
ADMINISTRATION, OVER NATIONAL FARM AND HOME HOUR NETWORK
MONDAY, JUNE 26, 1933

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Ladies and Gentlemen of the Farm and Home Audience:--

Today marks the beginning of "Cotton Week." The cotton producers of the South are to be given an opportunity this week to decide whether or not they will adopt a program of reducing this year's cotton crop. I am certain that every cotton producer recognizes the importance of the decision he will be called upon to make. To my mind, the future of the cotton industry and the economic welfare of the South might well depend upon what the cotton producer does this week.

Let me say, however, to those cotton producers who do not receive the opportunity to sign the contracts offered by the Government today or tomorrow that you will be given that opportunity during the week. We have had a tremendous task here in Washington arranging the program. Although every effort has been made to speed up the printing presses and get the contracts and other essential material into the field as rapidly as possible, there may be a little delay in some parts of the Cotton Belt. Extreme effort is being made to see to it that before the week closes, every cotton producer has opportunity to offer to the Secretary of Agriculture part of his land now planted in cotton.

I want to discuss with you briefly, today, one of the important decisions that you must make in signing this contract. When your county agent or the local committee presents you with this contract, you as a cotton producer are going to be asked to estimate the amount of lint cotton per acre you may reasonably expect to pick from your land this fall.

The contract which you will be given the opportunity to sign says at the top: "Offer to Enter Into Cotton Option-Benefit or Benefit Contracts." Of course, this document does not constitute a contract until it has been accepted by the Secretary of Agriculture but for the sake of convenience we will call it a contract. It is really an "Offer to Enter Into a Contract," and it will become a contract when the Secretary has accepted it. The Secretary of Agriculture has made it plain that if a sufficient number of cotton producers offer their acreage so that we may have definite assurance that a genuine reduction of this year's crop may be achieved, he will accept the offers you will be given the chance to make.

Now I want to "talk turkey" with you about a very vital feature of this contract. I referred to it a moment ago. That is the part where you will be called upon to estimate the probable acre yield of lint of your present crop.

On the first page of this contract in section one, you will be asked to state the number of acres of cotton you now have planted. Then you will be required to state whether this cotton is up to a good, fair or poor stand and also to state whether this cotton has been fertilized and how many pounds of fertilizer you have used on each acre.

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Then in section 2---and this is the section I want to discuss with you --- you will be asked to say how much cotton you produced from this farm in 1932 and give the name of the gin to which you took your cotton when it was picked, and to whom the cotton was sold. Then you will be asked to estimate how much cotton you may reasonably expect to pick from this planted acreage in the fall of 1933.

Those words "reasonably expect" are extremely important and I wish to emphasize them. The cotton producer must be reasonable in making this estimate or we will fall short of our goal. We must keep in mind our objective. That objective is to take at least three million bales of cotton out of production. Any overestimate would prevent us from attaining this goal and the farmer himself whose position we are trying to strengthen would suffer the consequences and all future effort would be seriously hampered. The point is the Government must get all its contracts for if the farmer is to be saved, and it is part of my job and the job of those in the field to see to it that all estimates are reasonable. If you err, let it be on the side of conservatism. That is the side of safety for the farmer.

Now there is another question: What about cotton that is not up or that is now being planted, or that has been destroyed by flood or storm? The answer goes back to our goal. We are out for three million bales of cotton. In this campaign if a man has no cotton to contribute to that three million bales, he has nothing for the Government to consider or contract for. This is not a charity or relief measure. It is strictly business.

Now you know this is a new undertaking. Nothing like it has ever before been attempted in the history of agriculture. Cotton farmers, textile operators, agricultural workers, bankers, editors, and many other groups have come to Washington and told us that unless something is done about this year's cotton crop, the cotton producers of the South are faced with adversity again next winter.

The Government has answered with a definite program. This is the program you will be given the opportunity to decide upon. But let me remind you again, as I said last week in talking to you and as just repeated, in the application of the agricultural adjustment act, the Government does not contemplate the payment of a bonus or a dole to the cotton farmer or anybody else.

Again, this is a business proposition. If the cotton producers decide that this plan shall be adopted, the Government will proceed to apply it on a business basis. Certainly the Government will be and is sympathetic to the every interest of the farmer. That sympathy is expressed in millions of dollars for this campaign. Sympathy and understanding is the reason Congress adopted the legislation, providing the machinery by which this plan can be applied. But those of us who are charged with the administration of the plan have the responsibility of seeing to it that it is applied so as to get the full amount of cotton out of production.

I want that clearly understood before any cotton farmer puts his name to one of these contracts. This is a business transaction, Remember that. You have told your Government that you want something done, that you mean business. I know that as good citizens you want your Government to work this plan out in a practical businesslike way.

So when you fill out section two of your contract and make the estimate on your crop, be sure that every pound you estimate is there. We are not anticipating that any farmer is going to misrepresent the facts, but this point is so important and conservative estimates so necessary that a word about it seems in order. Just in passing I might state: We have in Washington here the records of production of every county in the Cotton Belt for a number of years back. These records are arranged so as to give us a check on every locality for each county for the past five years.

This whole plan, remember, is for your benefit. The cotton farmers are the people this plan is designed to help. It gives you opportunity to help yourselves.

At that the decision is yours and the will to make the plan work is yours. We believe it is a wonderful plan, that it brings promise of a new day to the Cotton Belt and its people.

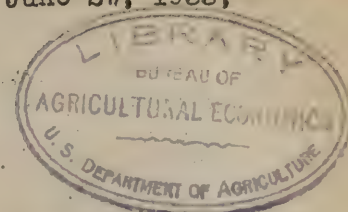
I will have the further opportunity during this week to bring to you the latest developments in this program and to discuss other phases of the plan with you. So I leave you today with this word:

"Meet your responsibility to yourself, to your neighbor, and to your country."

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On the cotton planing
A radio talk by Chester C. Davis, production control administrator, Agricultural Adjustment Administration, delivered Tuesday, June 27, 1933, 10:30 P.M., over an NBC-WMAL network of 24 radio stations.



Men and women of the South:

Naturally the Agricultural Adjustment Administration has a very keen interest in the reports from the "Cotton Week" campaign to adjust the acreage of cotton, improve the statistical position of the South's great crop, and increase the incomes of cotton producers.

You people of the Cotton Belt this week are taking a referendum on the question: "Resolved, that the farmers of America will work in unison to adjust their business to the realities of the economic situation." You have the first opportunity to let the country and the world know whether the men of the highly individualistic industry of farming will cooperate on a fair and just basis. Later this Summer the growers of wheat and cigar type tobacco will have the same opportunity to demonstrate their willingness to join with the Government in planning and ordering their business to the benefit of themselves and the other business men and workers of the country. Producers of the other basic commodities, if they ask the chance, may have it also.

Every branch of the Agricultural Adjustment Administration is keeping close watch of the progress of the cotton adjustment effort. If the 2 million cotton growers of the nation agree to take the desired number of acres out of cotton production this year, we shall have complete confirmation of the reports of agricultural leaders that American farmers realize the need for bringing economic forces under control, and are willing to work toward that end.

The success of the whole national policy for agricultural equality hinges on confirmation of those statements of agricultural leaders. Unless the big majority of farmers are willing to take hold of the program for acreage limitation, and cooperate to make it work, agricultural adjustment gets off to a bad start. Congress has granted powers without parallel to the Agricultural Adjustment Administration. By that Act all the force of the Government is sent into action to answer the plea of farmers for a fair market and a fair price. By that Act, the Adjustment Administration is charged to use its utmost efforts to find clearance beyond the sea for our surplus stocks of the basic farm commodities.

But the mainspring of the national program for agriculture is after all the provisions of the Adjustment Act which enable farmers to cooperate in bringing the production of the whole country into line with the real demand of the market. Unless farmers will cooperate in this new way -- a way that for the first time assures the cooperators of the greater benefits -- unless farmers will stand with their neighbors shoulder to shoulder in a common effort for production adjustment, other activities will not solve their problem.

Perhaps I have dwelt too long on the thought that a large share of the success of the adjustment program for agriculture is at stake in the South's 820 cotton counties. I know you are eager to have the news that has come to

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headquarters from the field. Late this afternoon I talked with Mr. Cobb, who is in direct charge of the "Cotton Week" activities. He told me his desk was flooded with a tidal wave of the pink paper sheets on which they type telegrams at the Department of Agriculture. His telephone had rung a steady tattoo all day. I asked him to give me a brief summary of the reports so far received. He did, and I now relay it to you:

The bulk of the messages from the field yesterday and today came from county agents and State Extension Directors asking for larger supplies of the forms to be signed by the men who will agree to enter into the contract with the Secretary of Agriculture. They uniformly report that there is no concerted opposition in any quarter to the cotton adjustment program. Apparently the growers and bankers and merchants of the South, after considering the adjustment plan as reported in the press and on the radio last week, have decided that it is just and reasonable. One Texas banker gave what seems to be a fair statement of the attitude of the business leaders when he telegraphed saying, "I have always been against proposals to legislate aid for farmers because the farmer seemed to get the worst of it. If I understand the cotton adjustment program, and I think I do, I am for it heart and soul. You can be assured of the voluntary assistance of every banker in this country."

Mr. Cobb told me further of the helpful attitude of the press and of the radio stations. Both have extended every aid in giving the public complete information on details of the plan, and on the economic facts which caused the farm leaders to ask for the program. The fine cooperation of the radio stations in this hook-up and of the NBC is one instance of the assistance that we are being given in the way of spreading the information concerning the campaign.

But all these efforts of the agencies of communication and of the administration here in Washington would come to nothing if it were not for the hard, driving work being done by the 22,000 farmers and other citizens of cotton communities who are serving with the extension forces and vocational agriculture teachers on the local committees. They are the people on the firing line whose efforts will make it finally possible for the majority of farmers to come into the adjustment ranks, and make the program an actuality.

I cannot give you tonight figures on the number of acres farmers signing contract forms the first day offered to take out of cotton production. The returns must be examined, certified, and consolidated for each county, by the county agent, and a daily summary taken off for State headquarters of the extension service, before they are sent on to Washington. We shall be giving you the figures in these nightly broadcasts and in the National Farm and Home Hour as soon as they are available.

Let me announce to you tonight that we have secured the assistance of competent men from all parts of the Cotton Belt to help in computing the returns, balancing the figures of acreage reductions offered from each community and county and State, and allocating to each State and county and community the amount of acreage that will finally be accepted. This task is one of tremendous importance, and we are pleased to be assured of able assistance in performing it.

This mention of allotments to State and counties and communities leads me to make some comments on the tentative acreage reduction quotas assigned to each State. I wish you to understand clearly that these preliminary quotas

are not necessarily the final ones. We sent them up to provide a working basis for the extension forces in the 16 cotton-producing States.

These acreage quotas, based on the 1931 total acreage, are in no way a commitment on the part of the Agricultural Adjustment Administration that it will take out that amount of acreage, either as a minimum or a maximum. The distribution of acreage by States does, however, reflect Agricultural Adjustment Administration plans that when the offers have been received, consolidated, and accepted, the payments will be distributed on an equitable basis among the various States.

In making up the tentative quotas, we made a distribution of acreage by States on the basis of a 30 percent reduction of the 1931 acreage.

These figures would give a hypothetical reduction of 11 million 732 thousand acres from this year's crop. But we cannot now say or accurately estimate what the reduction would amount to in terms of acreage, assuming producers' offers are accepted. Our general objective is to eliminate a substantial portion of this year's crop. Obviously the acreage retired from production would be limited by the amount of money available and also by the yields of the land that is offered under the contracts which cotton producers are now being given the opportunity to sign.

Mr. Cobb asked me especially to give you local committeemen and county agents and vocational teachers listening in one special message. This concerns the relationship of lien-holders and producers in sharing the benefit payments made for acreage reduction. This is an important question to hundreds of thousands of lien-holders and the producers who gave the liens. Late this afternoon Mr. Cobb sent a telegram to State extension directors and they will forward the information to the local workers tomorrow. However, to set your questions at rest tonight, I want to quote this telegram to you. Here it is:

I now quote his telegram: Local representatives or committeemen taking contracts from producers are authorized with the consent of the producer and lien-holders to add to the paragraph which appears just below the producer's signature and just above the lien holder's signature the following language stop Quote checks for cash benefit to be payable jointly to the producer and the undersigned lien-holders Unquote. Let me repeat that (REPEAT).

I know that is vital information for you local workers in the campaign and I am pleased that we can take it to you promptly by radio and telegraph.

One final observation, since I see that I have only one minute more to talk with you. This comment is for you cotton producers listening tonight. For the success of this cotton adjustment effort, it is necessary that you be not misled in your thinking by any day to day developments in the markets. I know that you will keep in mind when you decide whether to sign a cotton adjustment contract, the basic facts in the statistical position of cotton which made it necessary to offer this plan. Those facts have not changed. Here they are:

First, cotton prices started rising this spring mainly because of the decline in the gold value of the dollar. We do not know what will happen to the value of the dollar in the future.

Second, the recent rise in cotton prices is largely based on anticipation of the success of the cotton adjustment program. If it should not succeed the foundation would probably slide from under speculative advances based on it.

Third, there has been an improvement in demand for cotton, stimulated by the increasing price. We hope the demand will continue to be better, but the price increase factor in it is uncertain and subject to change from any one of several causes.

Fourth, the carryover of cotton August first will be huge -- the second largest in history.

Fifth, if we send an average crop to market this fall, the carryover will compete with it and act as a heavy drag on prices. Unless the crop is less than average we can make little progress in reducing the carryover.

Lastly, if there is to be any reduction in this year's cotton acreage, it must come through the cooperation of cotton farmers in the adjustment program. The answer, my friends, is up to you. For the sake of yourselves, and of all American agriculture and business, I hope it is in the affirmative.

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JUL

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Interview between Frank L. Teuton, Department of Agriculture Radio Service, and Paul A. Porter, Agricultural Adjustment Administration over Columbia Broadcasting System, 10:15 P.M., June 27, 1933.

[On the cotton plan]

TEUTON:

Good evening, ladies and gentlemen of the Cotton Belt.

Tonight marks the end of the second day of "Cotton Week, and of the campaign to reduce production. Having been associated with the cotton producers of Tennessee, Mississippi, and North Carolina, I have some idea how you feel tonight at the end of the second day of the campaign.

Going on that assumption I'm going to play like I'm a cotton farmer from the Tennessee River Valley, and that I've been sent to Washington for information on questions that have come up in this campaign.

Paul A. Porter who was born in Old Kentucky has operated newspapers in Oklahoma and is familiar with the Cotton Belt. Until recently he resided at Lagrange, Georgia as editor of the Lagrange Daily News. He is now a Special Assistant to the Secretary of Agriculture in charge of the cotton information section of the Agricultural Adjustment Administration.

Paul, every cotton farmer listening to this program tonight is leaning forward in his chair right now, waiting for the latest news from the firing line. Take the microphone and tell 'em what's happening.

PORTER:

Good evening, friends in the Cotton Belt.

First reports from the 22 thousand farmers and county agents and vocational agricultural teachers conducting this campaign do not give a clear-cut idea of the trends. It's too early yet to get the information to Washington showing the number of acres signed up at the start of the campaign. But the information that has come in so far indicates that the cotton industry is driving hard to solve its problem of surplus cotton. If the later returns bear out the indications given so far, the cotton leaders will be confirmed in their judgment that cotton farmers would solve their own problem if given an opportunity.

TEUTON:

What do you mean by that, Paul?

PORTER:

Well, cotton leaders have said for years that you would see unified action by cotton farmers if they were offered a plan of adjustment that wouldn't force the men taking part in it to commit economic suicide.

(over)

TEUTON:

Does this plan do that?

PORTER:

Yes. I think all the speakers on these programs have made that point clear. As Mr. Davis remarked Sunday night this plan provides for cooperation in crop adjustment with a new promise -----the promise that this time the man who cooperates gets the benefit and the man who doesn't runs the risk.

TEUTON:

What are reports so far on the sign-up?

PORTER:

Well, there hasn't been time to get a consolidated report from the field, but our office has been flooded with telegrams today asking for more contract forms and for more information on the program.

TEUTON:

Tell us about some of those messages. What questions are uppermost in the minds of cotton farmers up to this time?

PORTER:

One question is foremost. It has cropped up in scores of telegrams.

TEUTON:

What is it?

PORTER:

It's about the lien holders. They want to know if the person who holds a lien on a man's cotton crop may share in the benefit payments that may be made.

TEUTON:

Well, that certainly is an important question, all right. Can you answer it tonight, Paul?

PORTER:

Yes, I can answer it now. Mr. Cobb sent a telegram to extension directors this afternoon in answer to that very question. The directors will relay the information to the field workers tomorrow morning. I have a copy of that telegram.

TEUTON:

Fine. That's just what we want. Read it.

PORTER:

All right. Here it is, quote --- "Local representatives or committeemen taking contracts from producers are authorized with the consent of the producer and lien-holder to add to the paragraph which appears just below the producer's signature and just above the lien-holder's signature the following language. I'm still quoting, Checks for cash benefit to be payable jointly to the producers and the undersigned lien-holders." End of quote.

TEUTON:

That's fine, Paul, but I'm afraid some of the listeners failed to get that statement. Will you repeat the message again to make sure they all get it?

PORTER:

Yes. Here it is again-----REPEAT MESSAGE.

TEUTON:

That's good. Now the field workers will have the information tomorrow morning and will be able to modify the contract with that wording for any lien-holders who insist on it.

PORTER:

Yes. That's right.

TEUTON:

Now what about those acreage quotas? I notice there has been some comment about them in the newspapers. I wish you'd explain just what you mean by acreage quotas.

PORTER:

You're right. That's one thing that ought to be made clear, and definite. Those quotas are not rigid. The Administration is not saying that the States must take out as much acreage, or more, or less than the figures specified in the tentative quotas sent out to extension directors. Those were the figures, I suppose that you've seen in the papers.

TEUTON:

Yes, I judge so. Well, what was the purpose of making up those tentative quotas anyway?

PORTER:

The Administration made them merely to provide a convenient working basis for the field forces. It gives them something to shoot at.

TEUTON:

What basis did you use in working out the tentative quota?

PORTER:

Oh, I didn't work them out. The cotton experts did that. Here's the way they figured them. They started with the assumption that the cotton acreage this year is more like the 1931 acreage than any other in recent years. So the State figures were taken, and the quotas devised on the basis of 30 percent of the 1931 acreage.

But this does not mean that 30 percent is actually the amount of acreage that will be taken out in each State if the cotton farmers adopt the adjustment plan. The amount of the acreage to be retired from production will be based, of course, on the yield of the land offered, and on the amount of money available to compensate the farmers for making the reduction.

TEUTON:

Well, I'm glad that's straight. The quotas worked out were not intended to be definite commitments on the part of the administration. They were just a tentative working guide for the purposes of the campaign organization. And understanding that, won't you give us the state figures on the 30 percent reduction assumption.

PORTER:

I'll be glad to. You call off the names of the 16 cotton states and I'll give you the figures of acreage reduction assumed if that state took out of production this year 30 percent of its 1931 acreage.

TEUTON:

All right, here goes!

(LIST IS READ AND FIGURES GIVEN)

TEUTON:

Well, thanks for the list. But we understand now Paul that these figures don't indicate the exact acreage to be taken out in each State if the program is adopted.

PORTER:

That's right. But you want to understand further, that the goal is not acreage to be retired, but actual cotton in terms of bales to be prevented from going to the market this fall, and competing with the huge carryover and possibly wrecking the price.

TEUTON:

But coming back to the quotas, the Administration does intend to make an equitable distribution of the benefit payments among the States, and the quotas help to formulate an idea of the division of the payments.

PORTER:

Correct! The benefit payments will be distributed throughout the Cotton Belt as evenly as possible, bearing in mind, of course, that the objective is a substantial reduction of this year's crop. What is necessary if this program is to succeed is that enough cotton be eliminated from production this year to cut down the excessive supply and put a firmer foundation under cotton prices.

TEUTON:

By the way, I suppose all growers are greatly cheered up by the advance in cotton prices the past few days.

PORTER:

Well, they'd be happier if they were certain the price would advance this fall when the cotton farmer has some of his crop to sell. But it does show what the cotton trade thinks of this program. Those who deal in cotton, and the speculative element of the investing public seem to feel that this program is going to succeed so they have started a frenzied movement in cotton prices.

TEUTON:

Well, that's interesting, especially when you ask yourself what might happen if the program didn't go over.

PORTER:

Now, don't get me or any one else in the Adjustment Administration in the position of trying to predict the price of cotton. You can't get experts to do that. But the opinion of the men who know most about cotton is, and has been, that price is primarily determined by the supply and demand factors. If we have a big crop this fall and pile that on top of a carryover of around 12 and a half million bales, those who know more about cotton than I ever will say that prices are likely to be disastrous to the producer this fall.

TEUTON:

Well, how does that effect the present situation of the cotton farmer?

PORTER:

I think it shows pretty definitely that the cotton farmer should not appraise this program in terms of present market prices. He should in making his decision take into account those fundamental factors of supply and demand and should also reckon with the fact that the cotton trade and the speculators have anticipated that this program will succeed and price has responded accordingly.

TEUTON:

That makes it pretty clear as to what might happen to the price of cotton if this program doesn't go over, doesn't it?

PORTER:

Yes, I think it does. You remember here some weeks ago when this program was being considered at the request of southern leaders they had a conference of representatives of the cotton industry. At that conference Cason J. Calloway, one of the South's leading textile manufacturers said there are just 2 things that will permanently improve the price of cotton--they are he said-- to raise less cotton--or use more.

This program coupled with the Administration's attack along the industrial front offers opportunity for doing both. But it should be remembered that the recent price advances haven't altered the fact that there probably is enough American cotton on hand to supply the world for nearly a year if we didn't pick a boll this fall. Price won't solve the surplus problem, and that is the problem this program attacks. I don't believe farmers will be deluded by the fluctuations of the market and forget the surplus. We are told in Washington that they have their eyes glued to the main objective, and will make the most of this opportunity.



Vertical file
Press releases

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RELEASE WHEN ADDRESS IS DELIVERED

REMARKS BY OSCAR JOHNSTON, DIRECTOR OF FINANCE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
OVER THE COLUMBIA BROADCASTING SYSTEM,
10:15 P.M., JUNE 28, 1933.

In an effort to achieve the goal set by Congress in the Agricultural Adjustment Act, namely, to bring the price of cotton from the disastrously low figure of 5.90 at the farm price prevailing a few weeks ago to approximately 12¢ at the farm, the Agricultural Adjustment Administration has submitted to the cotton producers of the Nation a plan by which it is hoped that the 1933 crop now being grown will be reduced by at least three million bales.

The plan has met with widespread approval by producers throughout the length and breadth of that section of the United States known as the "Cotton Belt." Literally thousands of farmers have voiced this approval by letters, telegrams, telephone messages, as well as by declarations made at precinct and county mass meetings held all over the Belt.

The proposal made by the Secretary is an eminently fair one, fair both to the National Government and to the producer of cotton. The plan and purpose of the Agricultural Adjustment Administration is not merely to give so-called relief to the producer or to give aid to a single section of the Nation. The plan is a part and parcel of the general scheme which we have come to know as the "new deal" by which the present Administration proposes to improve the economic condition of all of the people of America.

The Administration believes that permanent prosperity can not be achieved for a part of the people unless it is achieved for all. The money which will be paid to the producers of cotton by way of compensation to those who voluntarily reduce their production will not be expended entirely in the Cotton Belt; millions of dollars of this money will go immediately toward liquidating mortgage obligations owed by the farmers and held by banks, insurance companies, and others throughout the land. Other millions will be expended in the purchase of agricultural implements, food supplies, clothing, and probably radios, automobiles, and other manufactures. Through this means 100 odd million dollars with which the Government proposes to compensate producers for their production reduction will be distributed in the industrial centers of America.

As one of you, engaged myself in the production of cotton, living on a cotton plantation in Mississippi, I say to you with every confidence in the accuracy of the statement, that the proposed plan offered you is eminently fair and is absolutely sound, that it is an offer which every producer of cotton and which every person engaged in the business of financing the production of cotton should cheerfully and eagerly accept.

There are two causes which in my judgment may wreck the scheme and abort the efforts of the Department to bring about the desired price recovery for cotton. Against these it is my desire to warn you with every possible emphasis:- The first of these is the danger of avarice and selfishness on the part of the producer. The natural human inclination to try to get something for nothing, the temptation which will confront the producer when he comes to execute the contract by which he offers to reduce his production to over-estimate the probable production which he may reasonably expect to get from the acreage offered if it is not taken out of production. You will bear in mind that here in the Department of Agriculture are complete records showing the average production of lint cotton in every cotton producing county

in American for the past five years. Every producer in his own interest should see to it that in making his estimate of his production for 1933 he stays well within the five-year average production on the land which he proposes to take out of cultivation. If the returns from the several cotton producing counties show in the aggregate for any county an estimated production appreciably in excess of the five-year average for that county, the finger of suspicion will naturally point to such county and it is possible that the acreage offered from the county may be rejected. This is a solemn warning and a sincere plea to the cotton producers to be fair with themselves, and their neighbors and to be fair with the Government which is making every effort humanly possible to bring about an economic recovery.

The second danger is the recent spectacular rise of more than 4¢ per pound in the price of cotton. I warn you against being lulled into a sense of security or deluded with the thought that the present price of cotton is sound or economically justifiable in the face of the crop which would be harvested, assuming normal conditions, from the acreage now planted to cotton. A part of the recent rise in value has been due to so-called currency expansion; in other words, the lowering of the purchasing power of the American dollar. Another contributing cause is the gradual restoration of confidence, a spirit of optimism which is beginning to prevail and which has stimulated trade. But the greater part of the rise is essentially and purely speculative. Brought about by the fact that thousands of individuals throughout the nation are willing to take a chance on the success of the proposed plan and are purchasing cotton futures contracts on the cotton exchange. This form of speculative buying is dangerous. Nevertheless it has at least temporarily advanced the market, and if the producer, deluded by false hopes from this rise, refuses to accept the offer made by the Administration and persists in the production of the crop which we may now reasonably expect to be harvested if the acreage reduction is not accomplished, as I see the situation, it

1. The first part of the paper is devoted to a general discussion of the problem.

2. In the second part, we shall consider the case of a single particle.

3. The third part is devoted to the case of a system of particles.

4. In the fourth part, we shall consider the case of a continuous medium.

5. The fifth part is devoted to the case of a system of continuous media.

6. In the sixth part, we shall consider the case of a system of continuous media.

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27. The twenty-seventh part is devoted to the case of a system of continuous media.

28. In the twenty-eighth part, we shall consider the case of a system of continuous media.

29. The twenty-ninth part is devoted to the case of a system of continuous media.

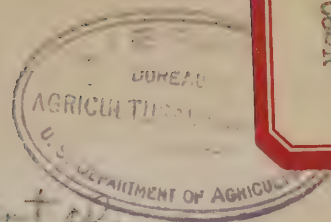
30. In the thirtieth part, we shall consider the case of a system of continuous media.

will not be possible for the present price level to be maintained. Should a crop of between fourteen and fifteen million bales be produced and added to the thirteen million bale carry-over now existing, there is no way to forecast how low the price of cotton may be in the marketing months of September, October, November, and December, 1933. Let me repeat the warning that you be not deceived or deluded, that you remain steadfast in your purpose to accept the proposal made by the Administration, and that you offer to retire from production the maximum acreage not exceeding 50 percent of your total planting to be taken out of production this year.

If an adequate acreage is offered the Administration at a reasonable and fair price, the offers will be accepted, more than 100 million dollars will be put in the hands of the producers immediately. This will be followed by some 40 to 50 million dollars additional to be paid upon the exercise of the cotton options. In addition to this, the 1933 crop of cotton and cotton seed should sell upon a profitable basis, a long step will have been taken toward the restoration of prosperity in the Cotton Belt, and through that means to the entire nation.

Concluding, let me say your immediate and temporal salvation is in your hands. The Administration has redeemed its campaign pledges. It has offered to the producer of cotton a safe, sound economic proposal for the restoration of prosperity. The matter is now put squarely up to the cotton producer. It is for him to say if he is willing, for an adequate compensation, to cooperate with this Government in the effort which it is making to accomplish economic recovery.

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TO BE RELEASED WHEN ADDRESS IS DELIVERED



On the cotton adjustment plan
REMARKS BY CULLY A. COBB, CHIEF, COTTON PRODUCTION SECTION,
AGRICULTURAL ADJUSTMENT ADMINISTRATION
OVER NBC-WMAL NETWORK, 10:30 P.M.
JUNE 28, 1933.

Vertical file
Press released

Ladies and Gentlemen of the Cotton Belt:

Cotton producers throughout the Southland are being given the opportunity this week to engage in the most stupendous and we believe the most helpful effort that has ever been made on behalf of agriculture. We are receiving daily communications from the field that indicate that the cotton farmers have an intelligent grasp of the program as well as of the fundamental problems which confront them. I feel that I can safely say to you now after two days of field work that we can report progress. It will be some days before we can state the amount of acres of cotton offered under the Government plan of production control from any one State. But advices from the field indicate that the referendum now being conducted among the cotton producers will probably result in their adoption of the program.

Let me say this, however. There is nothing yet to be enthusiastic about and we must not permit ourselves to be deluded by the zeal of the spirit that is engendered by this campaign. To prepare for a battle is one thing. To win it another. Our battle is yet to be won. We must face the facts, harsh facts that remind us that the job is yet to be done and that performance on the part of the individual producer in carrying out his agreement will tell the story as to whether or not the Secretary of Agriculture will be in position to accept these offers and thus pronounce the program a success.

The advance of cotton prices has given some indication of what the cotton trade expects to be the effect of this program if it succeeds. The market surged upwards with the reports from private agencies that cotton growers were going to

take hold of this plan and make it work. Thus the rise is based upon anticipation and not upon realization. I feel that it is important that cotton producers should understand this. Remember that a speculative rise on the cotton market does not solve the problem. We still have that surplus that has all but crushed the life out of the grower. A speculative price rise is not the solution to the surplus problem. As a matter of fact farmers have no cotton to sell now. The basic problem of the cotton situation is still that of getting at the surplus. Leaving that problem unsolved will flatten us out again.

Secretary Wallace is out in the great wheat belt this week. I was interested to note that he issued a warning from Des Moines Monday against misleading speculative market influences and added that the purpose of this new legislation is to bring higher prices to the producer rather than the speculator. It is urgent that that same warning be applied to cotton. Right here remember this program has been devised by the cotton growers themselves for the benefit of the individual producer of cotton who has so long been the victim of low prices. He must not permit his loyalty to a cause that means his emancipation to be swerved by imagining there is a pot of gold at the end of the speculative rainbow that has recently arched across in the cotton market skies.

Now let us turn to some of the more important phases in the application of the contract being presented to cotton producers we have not considered fully before.

As you know, there are two plans which the cotton producer, at his election, may adopt. The first is for the straight acreage rental payment based on the productivity of the land and the second is for a lower cash payment plus an option on government-held cotton at the low price of 6 cents per pound.

If offering these alternative plans, leaders from the cotton States and representatives of producers themselves devised the first plan -- the one where

a straight cash payment is made--for the benefit of those who have pressing obligations to meet and desire to take all of their benefits now in cash rather than have a part of it deferred to a later date.

I know what the situation is in the Cotton Belt. I have been almost from one end of the Belt to the other in the past ten days. Many cotton farmers are in dire need of cash now. It is for their benefit that the straight cash payment plan was proposed. It means if your estimates of yield are conservative that you will get your rental payment all in cash when and if the Secretary of Agriculture accepts your offer and when you have certified that the land you offer has been actually taken out of production.

I think it might be well to give a specific example of just how this cash payment plan works out.

Say you have 20 acres of land you wish to take out of cotton production, and the estimated yield is 165 pounds of lint cotton per acre. Looking it up in the "Schedule of payments when compensation is made in cash only" we find that the estimated yield of 165 pounds per acre would place you between the limits of 150-174 pounds, which fixes your payment at \$11 per acre. That would mean that you would receive \$220 if your offer was accepted. And you would get that money when and if the Secretary of Agriculture accepted the offers, proclaimed the program in operation and when you took your land out of production. I know that the attractiveness of that plan, receiving your funds all in cash and not having to wait until later in the fall or near the first of the year, will appeal to many cotton producers who need funds now. Let me warn again that estimates of yield, if out of line with the five-year average, will not only be thrown out but if sent in in substantial numbers will endanger the whole program. Every farmer and every worker must watch this point.

Now I want to leave the cotton grower for a while and answer a question that has been asked me by my wheat friends and those interested in corn and hogs and dairying. They want to know what can be done with this land that is taken out of production to prevent competition. These friends of ours fear that taking this land out of cotton may in some way contribute to the difficulty of their situation.

Well, now, in the first place, I am sure we all understand what the contract provides on that point. In the last paragraph of section 11 on Page 2 of the contract itself there is a clause which restricts the use of the land taken out of production, to the growing of soil-improvement or erosion-preventing crops or feed or food for home uses. So from a legal standpoint, we can assure our friends that the law will be observed.

But I would like to go further and deeper into the matter than that and tell our friends in the other great farming sections where wheat and other staple crops are produced that if they will help us make cotton farming profitable they will have nothing to fear from competition. Our people would rather grow cotton than anything else. But we must make it pay or farmers will turn to other staples.

All the cotton producer asks is to receive a fair return on his crop and have the right to so balance his cropping plan that he can help maintain his soil and his family. He has no desire to enter into cut-throat competition with the producers of other staple crops. May I repeat that all he asks is to be given the opportunity to make a profit on his cotton and continue to improve his farm so that he may enjoy the social and economic benefits of the independence that comes with increased buying power. The cotton farmer, as well as anyone else, recognizes the economic interdependence of all groups. So I would point out again, if cotton farming is profitable, not only is there nothing

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for the other great agricultural groups to fear, but it is obvious that they will fall heir to the fruits of a vastly increased buying power in town and country alike.

Now there is another phase of this cotton program that has been discussed in some quarters I'd like to refer to. Some have questioned the soundness of the plan because it contemplates the destruction of a growing crop. It has been charged that such is economic waste and contrary to sound economics. If that be true we should never thin corn.

It is true that such a plan does run counter to some of our pre-conceived notions. But, let me ask, where have our pre-conceived notions of so-called sound economics led us? If the fundamental law of supply and demand is still operative and it is, certainly we can aid in the natural operation of that law by the adjustment of supply. That's the only way we can make it work for the grower.

There is no justification for production for which there is no market. This applies to agricultural commodities as well as the products of factories. Should a man starve his family just to grow something? From the standpoint of the efficient producer, there is no justification for production which does not yield him a profit. Shall we continue the blind production of cotton? We already have more than world markets can absorb at a fair price. Do we want to see deflation of prices? Shall we look to bankruptcy, starvation, misery and panics as the only control over our destinies or shall we take the situation in hand and make cotton a servant instead of master. The decision is yours to make now.

I believe that planned agriculture is sound economics and that is what I am talking about. Large corporations have long regulated their output to meet demand. Agriculture has not been able to do this because of the lack of unity and the fact that those who selfishly failed to help reduce output in a cooperative effort for the common welfare, hoped to profit at the expense of those who did.

The plan we are now offering gives the benefits to those who participate and only those who participate. There are no benefits to distribute beyond this campaign. If you are waiting for that you are not only waiting in vain but you are refusing to help in your own behalf.

To my mind, taking out of production a crop not yet made in order to adjust the supply of such crop to more nearly comply with the demand for it is the very essence of common sense. A large crop this fall if carried over into the future, as most certainly will be the case if we do not reduce it, automatically sentences the grower and his family to another period of slavery. To escape that in the cotton belt is sound economics for the whole nation.

In conclusion let me state that I will have the opportunity again to speak to you over the radio before the end of Cotton Week. I hope at that time to bring to you some suggestions concerning future plans. This emergency campaign, as imperative as it is and as promising as it is, is not a permanent solution to the cotton problem. It is the mere beginning of a long-time program that must finally result in a fair balance between productive output and demand. I wish you would be thinking about that.

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THE COTTON REDUCTION PROGRAM.

DEPARTMENT OF AGRICULTURE

A radio talk by J. A. Evans, associate chief, Office of Cooperative Extension Work, delivered in the National Farm and Home Hour program, broadcast by a network of 43 associate NBC radio stations, June 28, 1933.

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Well, the cotton campaign is getting underway. Of course, it was expected that there would be some confusion, and some delays, and misunderstandings during the first day or two, while the vast field machine was being tuned up, oiled and otherwise conditioned for its great task, and this has proven to be the case.

The majority of the telegrams which poured in on the Administration during the first two days of the campaign ask for rulings, to clear up doubtful points regarding procedure, organization, or the terms of the contract; or state special problems or situations which have arisen and need clarification by the administrators.

The question of how benefit payments are to be made was one frequently asked; whether the check would be sent to the landlord or to the tenant, or jointly. The answer was, of course, that it would be made in a way wanted, and a way to clearly indicate this on the contract was suggested.

A number of agents wired rush orders for additional blanks, while some said that the blanks mailed them had not yet arrived. Interesting individual situations are being put up by wire for rulings. One man has three farms with an equal number of acres of cotton growing on each one. He wants to remove 1/3 of all his cotton from production, and asks to know if he can take out all this land on one farm and leave the cotton on the other two undisturbed. The answer was, that he could, providing that the local committee was satisfied that the farm on which the cotton he proposed to take out of production was growing was a fair average in point of fertility of all the three farms.

Practically all the telegrams received from directors, field agents and private individuals, indicate a general willingness on the part of farmers to cooperate with the Government. Some state that the actual rate of signing will appear to be slow because of the time necessary to explain the benefit payment plans to farmers and assist in executing the contract. This was expected.

Every type of cotton farmer is, apparently, equally willing to take cotton out of production. For illustration: A Texas banker with 2000 acres of cotton located in the famous cotton producing black land belt of Texas wired that he was willing to take it all out of cultivation, if the Government would pay benefits on it all.

A Delta planter with 20 thousand acres in cotton, growing on as fertile land as there is on the globe, offered to take out any part of it desired. At the other extreme, a small hill farmer in the mountain section of the Piedmont area walked ten miles to the county agent's office to let him know that he was anxious to cooperate in the cotton acreage reduction plan. The only doubt which has, so far, been voiced as to the complete success of the cotton program was in a telegram from a farmer who expressed the fear that the sudden rise in cotton prices might

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cause farmers to waver in their previously reached decision, to sign contracts. I can't believe his fears are at all warranted. I should as soon expect the crew of a storm-tossed, sinking boat to refuse the life lines thrown them from a staunch sea-worthy ship, which had raced to rescue them, because they had just caught a glimpse of light through the still raging storm. There is an old adage which condenses the wisdom of centuries of human experiences into these few words: "It is better to be safe than sorry." I would recommend this adage to the thoughtful consideration of any cotton farmer who may for the moment be tempted to gamble, on the chance of profiting in the end, by refusing cooperation in the proposed plan to reduce the American supply of cotton.

To my mind, the cooperating farmer, if this cotton plan is made effective, has certainly played safe. He gets a fair return based even on the present market prices for an average crop of cotton on the land which he takes out of cultivation. He gets paid for the crop this summer instead of having to wait until late next fall to market it and get his money. He has to incur no further expenses on or run any risks incident to the crop. His yield and his price are fixed --certain. The land taken out of cultivation is available to grow needed food and feed crops or legumes for soil building. And if he has chosen the cash and option plan of benefit payment, he still has an option on as much cotton as he would usually have harvested on the land taken out of cultivation, and at a price of only 6 cents a pound, and he can carry the option without cost or risk and exercise it by selling the cotton next winter or spring, if it will pay him to do so, but is not required to exercise the option at all unless he can make a profit by doing so. And in addition to all this, he has the supreme satisfaction of knowing that he is playing his expected part, in a great cooperative plan backed by all the power and resources of his Government, intended to increase the buying power and prosperity of cotton farmers by lifting cotton prices to, and maintaining them at, a fair and parity level with the prices of things he has to buy. Yes, the cooperating farmer is safe.

On the other hand, the non-cooperator may have occasion to be sorry. In the first place, no matter how promising it looks now, he cannot know what his yield of cotton will be next fall. Every experienced cotton farmer knows that July and August are the critical months for this crop and that innumerable things can happen to it during that period. It is a common saying among farmers that no other crop can promise as much early in the season and give as little at harvest, or promise as little in July and turn out well in November, as cotton. Boll weevils, boll worms, leaf worms, flea hoppers, or other insect pests may work havoc to the crop before harvest time. Wilt or anthracnose damage may prove severe. Excessive rains or severe drouth may occur, violent storms or floods are hazards to which his crop must still be liable and any one of which may cause now promised crops to yield little at harvest time. In the meanwhile he must continue to cultivate; may be forced to incur the expense of fighting boll weevil or other insect pests; must pick and gin his crop and haul it to market, and can never be sure until his cotton is actually sold what price he is going to get for it.

Is the possible chance of a little extra profit sufficient pay for a guilty conscience, always reminding him that he has betrayed his fellow farmers in a great crisis, by his refusal to cooperate with them and with his Government. That he has been willing to sell his own and his fellow farmer's birthright, "economic equality," for uncertain promise, of a mess of pottage, and cannot for months to come be sure that he will even receive his pay.

When you weigh all factors, Mr. Cotton Farmer, I am sure you will agree that in this emergency, "it is better to be safe than sorry."

COTTON LEADS THE WAY IN ADJUSTMENT

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A radio talk by Charles J. Brand, Coadministrator, Agricultural Adjustment Administration, delivered Thursday, June 29, 1933, in the Department of Agriculture period, National Farm and Home Hour, broadcast by a network of 48 associate NBC radio stations.

Press release

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Friends and listeners to the Farm and Home Hour:

Like most of the Farm and Home speakers this week I am going to direct my comments almost entirely to the Cotton Belt portion of this huge radio audience. But what I have to say to them will be of interest and importance to you people in the North, for later on this year we shall be saying similar things to wheat growers and growers of cigar-type tobacco, and to producers of other basic farm commodities, who come in and ask for and receive production adjustment plans.

If there were a theme song for this series of Farm and Home Hour and evening broadcasts during the "Cotton Week" campaign to adjust this year's acreage to market needs, it might well be adapted from the famous Lone Star State song, "The Eyes of Texas Are Upon You." Certainly the eyes of agricultural America, and of the farming people of the world are upon the Cotton Belt this week.

Cotton growers have the opportunity and the responsibility of leading the first charge of the main drive against agricultural depression. As Mr. Davis, the director of production of the Administration, has pointed out to you, the heart and core of the new national policy for agriculture is adjustment of production so that the supply of our basic commodities will be in balance with demand, and prices will be high enough to restore the purchasing power of these commodities.

Now obviously, that adjustment of supply has got to be brought about by the producers of the commodities. Any^{way} they must do it voluntarily. Unless they take hold of the plan for agricultural adjustment and drive hard to make it work -- it won't work.

It is true that the Agricultural Adjustment Act gives our Administration broad powers to accomplish other reforms desired and advocated for 12 years by agricultural leaders. In fact, the Agricultural Adjustment Act was purposely drawn in such a way as to allow the Government to help the people correct all the evils in our economic organization that farm leaders have been complaining about during the post-war years while farm people have been badgered and driven by circumstance closer and closer to the final stages of economic disaster.

In the hands of the Secretary of Agriculture and the Agricultural Adjustment Administration there now rests power to join with farming and industry in balancing up the system of distributing farm products to consumers. Farm leaders have asked that power not for 12 years, but for 12 times 12. We now have it. It is going into action first in the field of distribution of dairy products where the situation was most acute. Later it will be applied in other fields as producers and distributors come to us and ask for marketing agreements. This Adjustment Act is not a handout measure. You have to want salvation and work for it.

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The Secretary and his aides also are directed by the Adjustment Act to look into and seize every possibility of increasing the use of our basic farm products in foreign countries. That again is something that farm leaders have been demanding for years. We have set efforts in motion, especially on behalf of cotton.

It is not part of the plan for cotton adjustment to relinquish any present foreign market for cotton. Rather we shall seek to capture whatever new markets are open to us. The same thing holds good for all the other basic farm commodities.

But in the final analysis, the success of the whole new national policy for agriculture hinges around the action of producers toward the control of production to eliminate the vast surpluses which hang like thunderclouds over the markets. These surpluses must be removed before normal supply and demand relationships can work out permanently into fair and just prices. The Adjustment Act grants the power to raise funds to pay growers for taking acreage out of the basic crops, and thus tide them over the time when the adjustment is being made. The Adjustment Administration is determined to use this power only if the majority of producers want it used. The leaders of cotton and wheat and cigar-type tobacco have assured us that the majority of producers of these commodities do want it used.

So we have gone ahead and set up the basis of paying the men who take acreage out of cotton and cigar tobacco and wheat production in order to adjust the supply. This week and early next week cotton producers are going to indicate to us their willingness to cooperate in the plan for improving the statistical position of their great staple, for increasing their incomes immediately, and for making the first step toward effectuating the national policy for agriculture.

Mr. Cully A. Cobb, chief of the cotton production section, who is in direct charge of the campaign to place before every one of the 2 million cotton farmers in 820 counties the details of this plan reports to me that the first response reported to Washington was encouraging in the number of growers contacted who signed up to reduce acreage according to later directions of the Secretary of Agriculture.

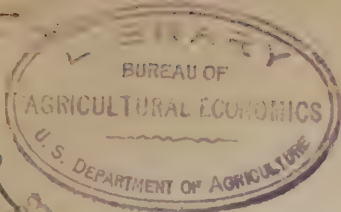
There were, however, two disturbing reports coming from the field yesterday. One was that some farmers seemed to be holding off on signing up for acreage reduction because of recent rises in cotton prices on the big exchanges. Nearly every speaker this week has pointed out to you the fallacy in that line of thought. A good share of the rise in cotton prices has been due to anticipation of the success of cotton adjustment. If it should not succeed, the foundations would slide from under whatever part of the price increase is due to this factor. Furthermore, the threat of the surplus competing with a normal crop this fall would remain to knock down quotations at picking time.

The other disturbing report comes from scattered counties. We have found isolated instances where farmers have evidently overestimated the amount of cotton they could pick from their acreage -- if it were not taken out of production. For example, the first reports from one county showed estimates of production this year on land to be taken out of production that were half again as large as the average acre-yield for the whole county according to the very accurate crop records maintained by the Department of Agriculture. That condition is sporadic. I feel sure that it will not become general.

But let me give you local leaders conducting the campaign and you producers listening this noon a warning and caution. Here in the Department of Agriculture are complete records showing the average production of lint cotton in every county of the United States for the past five years. It will be to the interest of every producer to keep well within the 5-year average in making his estimate of 1933 production on land offered for removal from production.

If the returns from a county show an estimated production this year appreciably in excess of the five-year average, it is possible that the acreage offered from the county will be rejected. So my final plea to cotton producers is that they even "lean over backward" a little to be fair with themselves, their neighbors, and the Government, and enable the Cotton Belt to lead America in agricultural adjustment.

(END)



U.S.D.A. AGRICULTURE
Radio Trans.

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A radio interview between Paul A. Porter, Agricultural Adjustment Administration, Frank L. Teuton, radio service, U. S. Department of Agriculture, and Frank Jeter, extension editor, North Carolina State College, broadcast Thursday, June 29, 1933, over the Dixie network, Columbia Broadcasting System, at 10:15 P.M.

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TEUTON:

Good evening, ladies and gentlemen of the Cotton Belt.

This is the end of the fourth day of the campaign to reduce cotton acreage. I wish it were possible for me to pick you cotton farmers up from your front porch tonight and set you down around the cotton table in Washington and let you read some of the reports that are coming in from the field.

But that is an impossibility. I'm not a magician, and it is too early for television, so I'm going to present our friend Paul Porter, and ask him to give us an up to the minute (summary of the cotton campaign thus far.)

All right, Paul, take the microphone, and give us the latest information from the firing line. Bring the reports right up to date -- up to say 10 o'clock tonight.

PORTER:

Good evening, friends in the Cotton Belt.

The reports coming in to the Washington office indicate that farmers and business men are working shoulder to shoulder in their effort to make the cotton plan a success and prevent starvation prices from returning to the Cotton Belt.

TEUTON:

What has happened today? Can you give us any figures on the amount of acreage signed up?

PORTER:

No that is impossible at this stage of the campaign. You must remember the many operations involved in the signing up of one contract -- the checking by the local committeeman of the acreage offered, the securing, if necessary, of releases from lien-holders, and so on. Multiply the time consumed by those operations in signing up each contract by the 2 million cotton growers in the Belt, and you'll see that the reports on acreage must wait until later this week to be consolidated for announcement of figures.

TEUTON:

Your mention of contracts leads me to ask if all counties are now supplied with the contract forms and other necessary items for the campaign.

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PORTER:

Yes. Every request for additional supplies has been answered, and every one of the 820 cotton counties in the 16 cotton States should be well supplied with blanks and instructions by this time.

TEUTON:

You told us last Tuesday night that each day hatches out a new problem that has to be solved and the answer relayed to the men in the field. What's the problem for today?

PORTER:

Taking cotton out of production.

TEUTON:

What do you mean?

PORTER:

I mean that for 2 days we've been receiving telegrams asking if it's all right for a cotton farmer to take his cotton out of production as soon as he signs the application.

TEUTON:

Well, isn't it?

PORTER:

NO! If you'll read article 7 at the bottom of the first page of the contract form ---

TEUTON:

Well, you have one of the contract forms, read it to us.

PORTER:

All right, here's the exact wording. "I offer to the Secretary of Agriculture on behalf of the United States blank acres of cotton on the above mentioned farm, and agree --- now listen because this is the thing that prevents the farmer from plowing up his cotton until his offer has been accepted by the Secretary of Agriculture and he has been instructed to take the cotton out of production -- And agree to take out of production the crop of cotton now growing thereon in accordance with such regulations as are --- or may hereafter be prescribed."

When a farmer signs a contract form to reduce his cotton acreage he has simply offered to reduce his acreage according to one of the 2 plans offered. But his offer may not be accepted, and a cotton farmer would be in a bad fix if he signed a contract form merely offering to reduce his cotton acreage and then turned in and did it before the offer had been accepted.

TEUTON:

I should say he would. Well, what are the instructions on that?

PORTER:

Take care of your cotton until you have been notified in writing by the Secretary of Agriculture that your offer has been accepted, and that the cotton plan has been put in operation. That's the first step. The second step is to take the cotton out of production according to the regulations that will be announced as soon as the Secretary announces the acceptance of the offers and declares the plan in operation. Is that clear?

TEUTON:

Yes, it's clear to me, but I'm wondering what a man will do who planted other crops between the cotton rows say last week in anticipation of the success of this campaign.

PORTER:

Well, all I can say is that it's better to be safe than sorry, and that cotton farmers take cotton out of production at their own risk until their offer has been accepted by the Secretary of Agriculture, and the plan has been put in operation, and they have been advised how to take the cotton out of production. A map of the cotton area the farmer offers to take out of production is a part of the application. This area has to be checked by the local committee before it okays the offer. After the offer is accepted by the Secretary of Agriculture, and the cotton has been ordered taken out of production, the committee must again check the area to make sure the regulations have been followed.

So I suggest cotton farmers sign the applications offering to take certain definite specified areas of cotton out of production according to one of the plan offered, and leave it at that until their offers have been accepted by the Secretary of Agriculture and the plan has been declared in operation. That's the safest thing.

Here's Frank Jeter of the North Carolina Extension Service. He came up here with us tonight. Why not call on him for a report from his State?

TEUTON:

That's a good idea. Frank move over in front of the microphone on the piano and tell us how you're handling the cotton campaign in North Carolina.

JETER:

Well, we're not telling the farmers to take their cotton out of production.

TEUTON:

You're not, eh?

JETER:

No siree, we're telling them just what Mr. Porter said --- sign the application offering to reduce, but leave it at that until we know for sure that the Secretary of Agriculture will accept the offers.

TEUTON:

Well, tell us a little more about North Carolina's part in the campaign while you're at the microphone.

JETER:

Well, needless to say that North Carolina cotton growers, like all others in the belt, are giving their support to the plan.

We have about 90 thousand cotton growers in North Carolina, who either own or operate about 128 thousand cotton farms. Most of these farmers are interested in the campaign and are cooperating with their neighbors in trying to make it a success.

TEUTON:

Are the farmers signing up?

JETER:

Oh yes, right along. We have about 27 hundred persons actively engaged in the campaign this week. And most of these people are cotton growers who are members of local and county committees.

TEUTON:

What organization is heading the work in your State, Frank?

JETER:

The North Carolina Agricultural Extension Service. When we received Mr. Cobb's wire on Sunday, June 19, announcing this week as "Cotton Week" we began to make definite plans to reach every grower in the 67 cotton counties in North Carolina.

We have had excellent support from every official and unofficial agency interested in North Carolina agriculture. The press has aided greatly in carrying announcements and news of the campaign. The radio, as the Columbia System is doing tonight, has cooperated with us in sending out special messages and reports of all kinds.

TEUTON:

Frank, what class of farmers signed up first in North Carolina?

JETER:

The best farmers. The men who fertilize well, who use good seed, rotate their crops, and top-dress their cotton with nitrate of soda.

TEUTON:

What about the acre yield estimates in these first applications?

JETER:

They were high, because the acre yields estimated by these best farmers are naturally somewhat higher than the general average yields of a county, but this situation, we believe, will adjust itself as more growers sign up and the average falls in line with the average of previous years, ----- and with our statistical records.

I say this, because, while we have lots of good cotton growers in North Carolina we have also some who are not so efficient. Lots of our farmers who signed up Tuesday, and Wednesday, and today produce a bale of cotton to the acre. But we have a few farmers who grow what we call in North Carolina "bumble-bee" cotton. That's not much cotton, but those growers are signing up --- naturally a little slower than the best growers, and when their reports mix with the reports from the best producers the average will fall, as it probably should.

Of course, we are repeating the warning that has been given by all the speakers this week on these radio programs that growers must be fair in their estimates of yield on the land they offer to take out of production. Our people are being reminded all the time that over-estimating yields will jeopardize the success of the whole adjustment plan.

TEUTON:

In other words, it's better to "lean backward" in being fair than to try to take an unfair advantage.

JETER:

That's right.

TEUTON:

What's North Carolina's tentative quota of acreage to be retired from cotton?

JETER:

Well, you understand those quota figures are just preliminary. We have to wait until the end of the campaign, when the Secretary of Agriculture decides to accept the offers and apportions the acreage reduction among the States before we know for sure.

TEUTON:

Yes, we understand that. But what's North Carolina's tentative quota?

JETER:

363 thousand acres.

TEUTON:

Will you make it?

JETER:

We believe so, if our people will show their common sense and refuse to be misled by the advance in cotton prices recently.

Our growers estimate that if we take 363 thousand acres out of cotton this summer, our share of the payments will amount to between 5 and 6 million dollars. That much money will go into our 67 cotton counties, and besides the statistical position of cotton will be improved so that there will be a firmer foundation under cotton prices when we send the crop to market.

Five or six million dollars distributed among 90 thousand of our citizens in the Summer and early Fall will put new life into business generally. It'll help not only the cotton grower, but the butcher, the baker, and the candlestick maker. That's why our business men are supporting the cotton adjustment plan.

TEUTON:

Well, Frank, aren't you a cotton farmer yourself?

JETER:

Yes. I have 27 acres in cotton this year.

TEUTON:

Are you offering to take any of that out of production?

JETER:

Of course. Seven acres.

TEUTON:

What yield are you estimating on the acreage you offer?

JETER:

Half a bale to the acre -- 250 pounds.

TEUTON:

What was the yield on the same land last year?

JETER:

The same. 250 pounds.

TEUTON:

Was your land fertilized before planting time last spring?

JETER:

It was fertilized when the cotton was planted.

TEUTON:

Have you chopped it?

JETER:

Yes.

TEUTON:

Plowed it?

JETER:

Yes.

TEUTON:

Top-dressed with nitrate of soda?

JETER:

Yes.

TEUTON:

And you're estimating your yield at the same figure as last year?

JETER:

Yes. I think that's the fair thing.

PORTER:

Fair enough, I'd say. Any other questions, Teuton?

TEUTON:

No other questions. We've a minute or so left, though. Give us any comments, you think the Adjustment Administration would like to have made on this fourth evening of the adjustment campaign.

PORTER:

Well, Frank Jeter has emphasized the two points that we hope cotton farmers will constantly keep before them as they consider the matter of offering cotton acreage for reduction. One is the necessity of being fair and conservative in estimates of yield to be expected from the offered acreage. The other is the necessity of keeping the fundamental facts about the statistical position of cotton before us and not being deluded by recent rises in cotton prices.

Mr. Johnson remarked last night, that it is dangerous to be lulled into a sense of security by the thought that the present price of cotton is sound or economically justifiable in the face of the crop that would be harvested under normal conditions from the acreage now planted to cotton. He pointed out that the price rises since the low point in February are partly due to currency expansion, and partly to the restoration of confidence in recent months.

But he said that the greater part of recent rises is essentially and purely speculative, brought about by the fact that thousands of individuals are willing to take a chance on the success of the adjustment plan and are buying cotton futures on the exchanges. Naturally, if producers, deluded by false hopes from this rise, do not accept the adjustment plan in sufficient numbers, and the plan not be accepted, the foundation slides from under this speculative advance. Keep the fact before you that if a crop of 14 or 15 million bales should be sent to market this fall, it will have to compete with more than 12 million bales already in the warehouses. Even if the demand of the most prosperous years should revive, the world would not next year use more than 15 million bales. Consider what the competition of those 12 million bales can do to prices in case a normal crop goes on the market this fall.

That is the really essential fact -- not the price now, but the price that will prevail this Fall. Cotton experts have told us repeatedly that a disastrous price would be the logical result of a normal crop added to our huge carryover.

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CLOSING ANNOUNCEMENT:

Thank you Mr. Porter, and Mr. Jeter, and Mr. Teuton. Tomorrow evening, ladies and gentlemen, Dr. J. A. Evans, associate chief of the Office of Cooperative Extension Work, will bring us further news of the cotton adjustment campaign.

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REMARKS BY GEN. W. I. WESTERVELD, DIRECTOR OF PROCESSING, AGRICULTURAL ADJUSTMENT
ADMINISTRATION, OVER NBC-WMAL NETWORK, JUNE 29, 1933, 10:30 P.M.

Ladies and gentlemen of the Cotton Belt:

You have heard a great deal during the past week concerning the machinery that has been set up by the national Congress to make the "new deal" a reality for the farmer. The principles of the Agricultural Adjustment Act are now in the process of being tested in the Cotton Belt. Naturally, all of us await with extreme interest the results of the "referendum" that is now under way in the Cotton States. The decision that is made by the cotton farmer will undoubtedly have significant influence on programs under consideration for other basic commodities. As with cotton, an essential phase of all the adjustment programs is the willingness of individual producers to adopt the plan. The decision, therefore, in this cotton week campaign may be considered as an index to the co-operative impulses of all farm groups to join in an essentially collective and integrated movement toward a planned economy for agriculture.

It is apparent, then, that the responsibility of the cotton farmer transcends that of improving the condition of his particular group. What he does will unquestionably affect the entire program for agriculture in addition to determining his individual welfare.

You are interested, of course, in the progress that is being made in the signing-up of cotton adjustment contract offers. Mr. Cobb, who is directing the efforts of some 22,000 county agents, vocational agricultural teachers and individual citizens in presenting these contracts to the farmers, advised me this evening that reports of satisfactory progress are being received from the field.

Naturally, a program so broad in its scope as this cotton adjustment campaign requires considerable time. Campaign supplies are now on hand in every cotton producing county. Community mass meetings have been held throughout the Cotton Belt and the producers are being given opportunity to consider the contracts just as rapidly as the field forces can visit the individual farms, inspect the cotton offered and arrive at an agreement on the probable yield of the land to be taken out of production.

Mr. Cobb has asked me to take this opportunity to clarify one misunderstanding that has arisen in some parts of the Cotton Belt. Farmers should not plow up their cotton until authorized to do so by their county agents.

Some few cotton producers, anxious to plant substitute crops on the land they propose to take out of production, seem to believe that when they sign their offers, they may then proceed to retire their land from production. It should be remembered that this program is not completed until the Secretary of Agriculture accepts the offers that are now being made. Secretary Wallace has made it plain that he will accept offers only if they are made in sufficient numbers to insure a substantial reduction in this year's crop and only if the producers are fair and conservative in their estimates of the probable yield

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of their land. Therefore, no producer should eliminate a portion of his cotton acreage from production until he has been definitely authorized to do so by his county agent or local committeeman. That is a detail but it is important.

I feel certain that every cotton producer by now understands the main objectives of this program. All the agencies of distributing information have been utilized in placing it before individual cotton farmers. You have been told by those selected to administer this Agricultural Adjustment Act of the seriousness of the problem. Leaders of the Belt have held the spectre of five-cent cotton next fall before the cotton producer, not as a threat, but as a strong probability, unless the plan now contemplated to adjust the supply of cotton is put into operation. We all recognize that neither the South nor the nation can afford another winter of low-price cotton.

This plan of control is the measure that the representative cotton producers themselves have asked for. They say that it is reasonable to assume that if we can, by reducing the amount of cotton that moves to the market this fall minimize the price-depressing effect of a 13,000,000 bale carryover, the Southern farmers' purchasing power will be enhanced and we shall surely have taken an important step towards national recovery.

What the cotton farmer is asked to do, then, is in the national interest. If by adopting this program, an economic improvement results in the South all groups will feel the stimulating influence. The South has felt keenly the merciless processes of deflation. For 12 years, the national government shut its eyes to the obvious fact that vast transformations were taking place in our social and economic order; and that agriculture, particularly, needed a helping hand from a sympathetic government to adapt itself to these changes. The application of controls to the agricultural plant was essential. The Farm Adjustment Act provides the opportunity for agriculture to utilize sound methods of control and gives the producer an opportunity to avoid the evils of ungoverned competition wherein one man's hand is unwittingly turned against his neighbor to the ruin of the entire group. This planning for agriculture needs no defender now. One may merely cast a casual glance at the present plight of the agricultural producing groups. They recognize from bitter experience that the old ways in which these adjustments we are now seeking were accomplished through panics, bankruptcy and starvation are contrary to the most fundamental concept of social justice. So the cotton producer has asked for and is being presented with the opportunity to depart from these old paths and to obtain for himself and his family opportunity for leisure and the retreat from surplus acres and surplus toil.

Let us never lose sight of the fact that this program for cotton producers is their own, individual responsibility. They must adopt the plan, take hold of it and make it work.

There are two main factors that may defeat this program. They have become evident during the early stages of the campaign.

There has been a tendency for some producers in some isolated localities to over-estimate the yields of their land, in the hope of profiting thereby. It is a natural temptation for a person to want to make the most out of any opportunity. Yet misrepresentations of fact in making these calculations of yield can jeopardize the success of the entire adjustment effort.

Those in the Adjustment Administration realize that the early offers were likely to be made by owners of the highest-yielding land. It has been our observation that the best farmers are among the first to sign these contracts and their land is, of course, the most productive. Their methods of cultivation are superior to those of men farming poorer land, their fields the cleanest and their seed usually the best. So the fact that the higher-yield land would be offered first has been taken into consideration.

This, however, does not alter the necessity for the warning that was given you last night by both Mr. Cobb and Oscar Johnston, who as myself are Southerners. We feel we have a right to speak frankly. They said, and I repeat, if the over-estimation of yield is general, the cotton program may have to be abandoned. I can say to you with direct authority of Secretary Wallace and Administrator George Peek that in this cotton program, the Secretary intends "to pay for what he gets, and to get what he pays for." To do less would be the greatest folly.

So consider carefully the estimate you make of your production and if you err, make certain that the error is on the side of conservatism. This cotton plan is not designed to fill the producers' pockets with a government gift. It is designed to reasonably compensate him for the expenditures he has made in bringing the crop to its present stage. The most permanent benefits will not be immediate. The lasting good will result from the reduction of the excessive cotton supply and the resultant price improvement this fall when the producer brings his crop to the market. So I would urge that the producer not assess his program altogether in terms of current benefits. Rather, consider the improvement that will result from the collective action of cotton farmers in this attack upon the cotton surplus.

Then, my friends, there is the price delusion. Too much can not be said concerning the false hopes that might be aroused by the recent price advances. As the market has bounded upward, an inclination of some producers to stay out of the plan has been reported. The directors of this cotton campaign have received assurances from large cotton producers throughout the Belt that they are going to support this plan and offer a substantial amount of their acreage to the government. They are not deceived by the price fluctuations. They recognize that if they are to market their crop next fall at a profit, this program to keep a substantial portion of the present crop from the market must be carried through. So the small planter should not be misled by the speculative price rise. Cotton experts -- those who grow it as well as those who spin it -- have told us repeatedly that a disastrous price would be the logical result of a 14,000,000 bale crop this fall piled upon the 13,000,000 bale carryover.

These things have been said to you before, but they are so vital that I felt it proper to repeat them. So do not lose sight of the importance of being fair and conservative in the estimates of yield and do not be misled by false hopes based on price advances which do not reflect any fundamental facts of supply and demand. And remember, further, although there has been some improvement in cotton consumption, it has not yet reached proportions sufficient to warrant any assumption that there will be any stable price improvement without an adjustment of this year's production.

You cotton producers are being given the opportunity to do something for yourselves. What you will do with this plan concerns us all and to

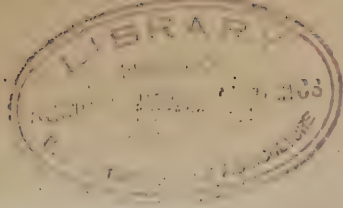
emphasize the importance of intelligent, collective action, I feel that it would be helpful to repeat to you the words of President Roosevelt in his appeal to the cotton producers.

The President said:

"The fate of any plan depends upon the support it is given by those who are asked to put it into operation. This program for the cotton producer essentially places the responsibility upon the individual farmer. He and he alone will, in the last analysis, determine whether it shall succeed. This plan offers the cotton producers a practical, definite means to put into immediate application the methods which Congress has prescribed to improve his situation. I have every confidence that the cotton producer will face the facts and cooperate fully in the reasonable and practical plan that is proposed."

Let us hope that the cotton producers will justify the confidence expressed by the President, and through their coordinated action in this program, take the first definite step towards National Recovery.

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S. D. A. AGR. ADJUST. ADMIN.

COTTON ADJUSTMENT

A radio talk by Cully A. Cobb, Agricultural Adjustment Administration, delivered in the Department of Agriculture period of the National Farm and Home Hour, Friday, June 30, 1933.

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Ladies and Gentlemen of the Farm and Home Audience:

I know you are eager for reports of the progress of the "Cotton Week" campaign. All that I can tell you today is that we are making progress. An undertaking so stupendous as this cotton campaign entailing the signing of some 2,000,000 contracts naturally requires a great deal of time. In addition personal visits and inspections of individual cotton farms are required. That takes further time. You know what the procedure is. Even so I am telling you these things again so that you may not become impatient because reports received on the actual amount of acreage offered are far too limited to be used as the basis for any sort of conclusion we could stand upon.

We have some reports from many states. Reports will come in increasing numbers during the next few days and I assure that when we can be sure of ourselves you will be given full information.

The reception given the plan by the cotton producers is most encouraging. The individual cotton farmer has an intelligent grasp of this plan. He recognizes that the remedy we have placed in his hands to improve his own situation is the only way out and seems determined to apply it.

As yet however there is nothing to shout about. We have an extremely practical job to do. So have you cotton farmers. It is a business proposition that requires a decision on the farmers' part that will not affect his own future but will undoubtedly have a profound influence upon the destiny of American agriculture generally.

So during these sweltering days here in Washington, those of us who are charged with the responsibility of administering this plan are working constantly in the effort to keep the 22,000 men in the field informed as to developments, assist them in the problems that may arise and receive the reports that they are beginning to send in from the individual producers. Yet in a measure our work is done. We have placed the whole thing in the hands of the farmer. Of course there is a tremendous task of correlating the contracts and offers, and of keeping constantly in touch with the directors of extension and others who are making contact with the thousands of growers. The job to be done now and the one that is being done is the cotton farmer's job. He must make the decision as you well know. Upon his decision will depend the course of the cotton South, up and down not only for this year but for the years to come.

I would like to address some of my remarks today to the home-makers of the Cotton Belt. Obviously, they are greatly concerned with the results of this campaign. If it is successful, the result will not only be to retire a lot of surplus cotton, but, also, a lot of surplus work.

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The farm folks of America have worked too hard. That is particularly true of the women. The wearisome and narrow cycle of their routine is killing. So this effort to adjust cotton production and increase the income of the cotton farmer should and will give the entire farm family more money and more time in which to live.

A splendid appeal to the farm women of Oklahoma was issued in this campaign recently by Miss Norma Brumbaugh, state home demonstration agent. I was impressed with the manner in which she placed the issue not only before the cotton farmer but likewise before his wife. It was a challenge, a call to arms.

I am going to take the time to read a brief portion of the statement she made to the 22,596 home demonstration club members in Oklahoma. I am quoting from Miss Brumbaugh:

"In one county of the state the homemaker sees through her kitchen window a five acre field that has produced only one bale annually for the past three years. Another homemaker sees their field of cotton so wet that they have not been able to clean out the weeds and grass and still another homemaker looks out upon some of their good cotton land pledged to acreage reduction in the interest of better prices and the influence that this action will have upon the neighbors. These women think of the days that the children have had to stay out of school to chop and pick cotton, of broken school terms, of the damage that the boll weevil may do, of the hours they have spent chopping cotton when the vegetables in the garden were ready to can, and of the mortgage on this year's crop. Then the homemaker learns that the United States has on hand between 12-1/2 and 13 million bales of cotton which is a year's supply and wonders what their profit will be even if all conditions prove to be favorable for a good crop. On and on run her thoughts on the cotton crop from one condition to another, both good and bad."

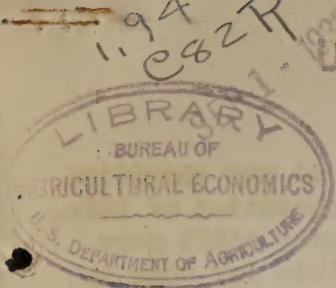
I feel that the comparison could be drawn a little sharper. The wife of the small planter who does not participate in this plan and the wife of the farmer who does are in different situations. One must continue the labor incident to the harvesting and cultivating of the entire crop while the other is released from the amount of labor necessary to bring the whole crop to the market. And I know that the farm women do stand shoulder to shoulder with their husbands and help in every way they can. So one of the immediate benefits of this plan is to release from care that portion of the acreage which is retired from production. Another immediate benefit is to get cash for this released acreage.

Taking the longer view, this program holds abundant promise of better days for the farm homes. If the production of cotton can be placed upon a sound and profitable basis - and that is what this plan seeks to do - it means better farm incomes. That will enable the farm family to enjoy some of the better things of life, things they deserve. After all, any program that is undertaken for the public welfare must be measured by the benefit it brings to the home. That is our basic institution. It's the place we live and should love. But it is hard to love poverty.

We have in Washington now an administration sympathetic and eager to make possible a fuller and rounded life for those on the farm. You ought to give our President a hand. Enduring happiness and contentment must be based upon economic security. Can't be happy living in a sweat as we have been doing in recent years. If this program for cotton succeeds, the cotton farmer will have that increased security and fear will pass from the Belt.

So I would urge the mothers of these farm homes to study this plan - and I know how many of them have already - and join with their husbands in making it a success, bearing in mind that its ultimate result will be fuller and finer living.

If they will turn a hand the farm women of the South can make this plan succeed. So I urge the farmwomen to join hands with us in this mighty effort to throw off the yoke of oppressively scant income.



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A radio talk by J. A. Evans, broadcast by Columbia Broadcasting System, June 30, 1933.

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A thought provoking headline over Robert Quillen's article in this morning's paper reads: "Columbus didn't discover a new world, until he discarded an old idea." It continues: "That since all progress is necessarily a matter of omitting old ways and adopting new, the first essential of leadership is a sublime indifference to precedent. But that ordinary people love a rut, for its own sake. That they are chained to familiar ways, by inertia or timidity or indifference or mental laziness. That to them old methods and old systems seem right because they are old."

I do not believe that this generalization fits the American farmers today. I am convinced that they are at last, ready to face facts, recognize a changed situation and to cooperate with each other and with their Government in its definite plans for bringing order out of chaos, and to make America again a land of opportunity. Yet these plans do require the acceptance of new philosophies, new ideas and the adoption of new methods.

The key note of both the Farm Act and the Industrial Recovery Act, two measures through which this Administration hopes to restore agriculture to a at least reasonable degree of prosperity, and at the same time raise city wages and get people out of bread lines, and back to work, is controlled production. In stating the philosophy of these companion acts, the Secretary of Agriculture says: "Both recognize that a country which abruptly has become a creditor giant, in a prostrate world cannot possibly go on acting as if it were still young, struggling, and up to its eyes in debt. And both acts recognize that under the old system of pioneer opportunities, with ungoverned competition, the time comes when one man's hand is turned unwittingly against his neighbor, and the result is ruin."

The necessity for the controlled production of cotton has been long conceded by all intelligent farmers. The whole history of cotton production has been an alternating succession of large production and ruinously low prices, and of low production and profitable or even high prices. Every cotton farmer knows that a small cotton crop usually brings more in the aggregate to the growers than a large one. In 1926, the South planted 47,078,000 acres to cotton and harvested 18,000,000 bales. This crop sold for about \$600,000,000.00 less than was received for a crop of about 16 million bales in 1925, and the large carry-over created by this excessive crop caused relatively lower prices to be paid for cotton grown in 1927, even though the acreage and crop was reduced. This caused a further loss estimated the second year at \$250,000,000.00. But before the American farmer can now effectively plan to regulate cotton production, so as to produce in future for the requirements of a known market, a paralyzing surplus now existing of nearly 13 million bales must be consumed. This can be done only by producing less cotton this year and for several years than the world will consume. Yet at this time another crop much larger than needed seems probable.

Farmers knew this spring that they should not plant more acres in cotton than they did last year. That they should plant many fewer acres. They knew they could not hope, in the face of decreased world consumption and the carry-over for a fair
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price for cotton this fall. But the need for securing more money at any sacrifice to meet interest and taxes, and provide families with the bare necessities of life, was urgent. The only way they could see to get more cash was to grow still more cotton. Unaided, it was impossible and has been for years impossible for them to take really effective steps to reduce the surplus or regulate production to meet according to demand. It is from this desperate and hopeless situation that the Agricultural Adjustment Administration offers to rescue the cotton farmers if they will cooperate. The plan made it possible for them to take immediate direct action to cut down the surplus, and offered a reasonable certainty of better prices for the remainder of their crop this fall if they do cooperate.

The objective of the plan is to reduce this year's cotton crop by approximately three million bales, and to do this it is thought that it will require 65 or 70 percent of all cotton farmers to sign contracts agreeing to take out of cultivation, a total of around 10 million acres of growing cotton in consideration of stated benefits, per acre to be paid on the basis of the productivity of such land. But the objective is bales of cotton not harvested, not acres of land taken out of cultivation. If the best farmers on the most productive lands are readiest to cooperate, the goal might be reached with less than 10 million acres of cotton actually destroyed. If on the contrary, the cooperators were all or mostly those cultivating the more than the 30 million acres of cotton which produces from very little up to a maximum of 200 lbs. of lint cotton per acre, the total number of acres necessary to be taken out of cultivation would be much more than 10 million acres. Happily it is apparent that all classes of farmers seem equally willing to cooperate.

Some objectors suggest that if the plan becomes effective, it will encourage foreign competitors to increase their acreage, and that in the end the United States may lose the supremacy they now enjoy as cotton growers, and profitable foreign markets.

One answer to that is that if it is true that the American farmer must continue to grow cotton for foreign markets, only at the price of slavery and a life of abject poverty and wretchedness, he don't want to continue to pay the price.

The fact is, however, that there is no reason to reduce the cotton production schedule to a domestic basis and no proposal to do so. Foreign countries need and will doubtless always need to take 50 percent or more of the normal post war production of American cotton.

The huge surplus now existing is due quite as much to decreased American consumption as to decreased foreign consumption of American cotton.

During all these years of world depression we have continued to export cotton though at ruinously low prices. Cotton experts in February this year were 95 percent of the post war average.

Nor need we fear the boggy of cheap cotton production in foreign lands. The United States can produce and market cotton at a profit, as cheaply or more cheaply than any other cotton producing country. No, we do not intend to lose our supremacy as cotton growers, or surrender any profitable outlet for our cotton. Nor is there any reason to do so. But we can and should resolve to grow for export only as much cotton as ready purchasers will buy and pay for at a fair price.

The campaign to acquaint farmers with the details of the Cotton Production plan is now in full swing. Reports from the field are optimistic and to the effect that

the quotas of cotton acreage to be taken out of production in each State, will be reached. As yet, however, Washington has little definite information as to just how much of its quota any State has reached.

Director Trent of Oklahoma reports that there is the finest spirit of cooperation among the farmers of that State which has ever existed, and that farm people are thinking, as they have never thought before, in the history of that State. Similar expressions come from other States. But we can't possibly know in Washington before the last of next week, perhaps, what the outcome of this great referendum is to be.

I cannot see how any cotton farmer can afford to refuse cooperation in the offered plan. Cooperators have, we think, much to gain and nothing to lose. But it is up to farmers to decide. It is up to them also to be fair and reasonable in their estimates of expected production on which benefit payments will be made, if the plan becomes effective.

Finally, it will be up to them, if the plan is made effective, to carry on next year and next by cooperating in whatever plan the Government may then propose, to capitalize on what has been accomplished this year, to consolidate the positions won. It is certain that if increased cotton prices this year are followed by increased planting next, the situation of the cotton farmer will be no better or even worse than now. No reduction possible now in this year's crop can entirely remove the surplus. This paralyzing surplus must be consumed, and the annual supply of American cotton brought in line with the annual prospective demand. Until this is done the South's deplorable situation will not and cannot be permanently cured.

The purpose of this report is to provide a summary of the results of the study conducted by the research team. The study was designed to investigate the effects of the intervention on the target population. The results of the study are presented in the following sections.

The first section of the report provides a brief overview of the study. This section includes the background information, the purpose of the study, and the research questions. The second section of the report provides a detailed description of the study design. This section includes the study population, the intervention, the control group, and the data collection methods.

The third section of the report presents the results of the study. This section includes the descriptive statistics, the inferential statistics, and the effect sizes. The fourth section of the report discusses the implications of the study. This section includes the strengths and limitations of the study, the conclusions, and the recommendations for future research.

The fifth section of the report provides a summary of the findings. This section includes the key findings, the conclusions, and the recommendations. The sixth section of the report provides a list of references. The seventh section of the report provides a list of appendices. The eighth section of the report provides a list of figures. The ninth section of the report provides a list of tables. The tenth section of the report provides a list of footnotes.